



Youth Justice
Agency

ANNUAL REPORT AND ACCOUNTS 2014 - 2015

making communities safer
by helping children to stop offending



Youth Justice Agency

ANNUAL REPORT AND ACCOUNTS 2014 - 2015

For the year ended 31 March 2015

Report on the work of the Youth Justice Agency of Northern Ireland 2014-15

Laid before the Northern Ireland Assembly

under section 11(3) (c) of the Government Resources

and Accounts Act (Northern Ireland) 2001

by the Department of Justice

on

1 July 2015

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Director's Report

Chief Executive's Foreword

I am pleased to present this Annual Report in my first year with the Agency since my appointment as Chief Executive in October 2014. At the outset I would take this opportunity to thank my predecessor, Paula Jack, for her sterling work in leading the organisation during the previous four years.



DECLAN MCGEOWN
Chief Executive

During 2014-15 there have been a number of achievements of which we can be rightly proud. The roll-out of Youth Engagement Clinics, in partnership with the Police Service Northern Ireland (PSNI), Public Prosecution Service (PPS), and Department of Justice (DOJ), to six of our seven area teams has meant that more young people who commit low level offences are now being diverted away from formal criminal proceedings into a diversionary process with the option of support or intervention as appropriate. Work is well advanced to complete this roll-out to the remaining area, Omagh, early in the new business year. Our Intensive Support and Supervision Programme (ISSP), for young people whose offending has become more serious or more frequent, has been introduced and, following a fundamental review of our role in the youth court and the interface with bail support/information, a new Court Liaison Team has been established, piloting initially in Belfast and Lisburn.

Also during this year a new Reducing Offending Directorate within the Department of Justice has been established and a considerable programme of work is ongoing to align our corporate services support functions with those of the NI Prison Service within this new Directorate framework. This will present new opportunities in providing effective and efficient support to our front line Youth Justice Services and Custody directorate teams. Alongside this, I am also committed to seeing through a significant programme of reform which includes a terms and conditions review, pension reform, the potential impact of the NICS-wide Voluntary Exit Scheme for staff and the operational consequences of a Savings Delivery Plan for remaining within our reduced 2015-16 budget.

Our important work in engaging directly with children was publicly recognised when our Business Improvement Directorate team won a Gold Award in the NI Commissioner for Children and Young People (NICCY) Participation Awards.

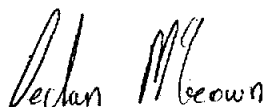
The team held consultations with young people during the development of a range of Agency policies including our Victims Charter, Hate Crime Policy and a suite of Agency information leaflets. All consultations considered the crucial issue of speech, language and communication needs and designed sessions that were easily understood and appropriate to the age groups involved.

Furthermore, a Criminal Justice Inspection (CJINI) report on the 'Effectiveness of Youth Conferencing', published in March 2015, found that this service is now more effective for offenders, for victims and for the wider community. The report went on to say that *'positive outcomes are being achieved for the vast majority of young participants, and that through the restorative process victims who are impacted by their crimes now have a say in the outcome'*. A similar CJINI report on their announced inspection of Woodlands JJC is also expected soon.

In advance of completing the 2015-16 financial Savings Delivery Plan we identified areas where we could operate more efficiently. These changes have already bedded in and as a result we have realised significant financial savings in the latter part of this financial year.

In terms of specific Agency performance, 2014-15 has been another extremely successful year in which 17 of our 19 performance targets were achieved and 20 of our 25 development objectives were fully met (with a further 4 partially met). Further details are contained within this report.

I wish to finish by paying tribute to our staff. I have been fortunate to have inherited a competent, highly motivated and professional team throughout the Agency who have made me feel most welcome in my new role. I have enjoyed getting out around our offices to meet staff and see for myself how our services are delivered on the ground and I am confident that by continuing to work together as a team we can successfully meet the significant challenges that lie ahead for us all in our quest to *'make communities safer by helping children to stop offending'*.



DECLAN MCGEOWN

Chief Executive

17 June 2015

Statement of Purpose

Making communities safer by helping children to stop offending

In seeking to achieve our statement of purpose we will adhere to the following values in all that we do:

- We will deliver services to young people based on proportionality and individually assessed risks, needs and ability;
- We will work to change, challenge and support young people to be the best they can be;
- We will hold young people to account for their offending behaviour and, where possible, young people should make good the harm they have done;
- We will use research and evidence based practice to inform all our work;
- We will work in partnership with other agencies, departments, local communities and service providers;
- We respect everyone no matter how different they are; and
- Everything we do will be underpinned by equality, openness, fairness, honesty and integrity.

Aims and Objectives

The overall aim of the Agency is to ***make communities safer by helping children to stop offending***. The Agency is part of the wider criminal justice system and contributes, alongside other partners, to achieving the system's overall aims and objectives.

Structure

The Agency provides a range of services both within the community and within custody and often delivered in partnership with others. The emphasis is on helping children to address their offending behaviour, diverting them from crime, assisting their integration into the community and also meeting the needs of the victims of crime.

The services delivered by the Agency are subject to inspection and review by the Criminal Justice Inspectorate (CJINI) and by the Department of Health, Social Services and Public Safety (DHSSPS). These services may also be subject to review by the Northern Ireland Commissioner for Children and Young People, the Northern Ireland Human Rights Commission and the Department of Education.

Our community-based services are delivered by our **Youth Justice Services Directorate** through 7 area offices located across Northern Ireland. Each area team is responsible for:-

- delivering youth conferences;
- supervising young people who are subject to a range of Court Orders; and
- delivering programmes and interventions with young people and their parents/carers to prevent re-offending.

Custody for children is provided by our **Woodlands Juvenile Justice Centre** which is located in Bangor and services the needs of all of Northern Ireland. Woodlands has been designed as a centre of excellence within a secure environment, offering a wide range of services and support to help prevent young people from re-offending.

It provides a safe, secure and stimulating environment for up to 48 boys and girls between the ages of 10 and 17 who have been remanded or sentenced to custody by the courts. It also operates as a place of safety for PACE purposes.

These front-line services are supported by two other teams based within our Corporate Headquarters premises in central Belfast. These are:-

Business Improvement Directorate – has responsibility for researching best practice in working with young people who offend, passing this on to operational staff and developing and implementing guidance and standards for the Agency which are

evidence-based and which will contribute towards stopping young people from offending. It also informs our responses to external consultations and drafts internal policy for Youth Justice Services.

Corporate Services Directorate – provides for the management and delivery of personnel, finance, business planning, information technology, statistics and research, estate management, and other support functions on behalf of the Chief Executive.

Management Board

The Youth Justice Agency is headed by a Chief Executive who is supported by a Management Board. The Agency saw a change in Chief Executive during 2014-15. The current Chief Executive is Declan McGeown. The Management Board of the Agency is responsible for the strategic and business management of the Agency's operations. Details of the salary and benefits of the Management Board members are disclosed in the Remuneration Report on pages 34 to 42. The structure and members of the Management Board for the year ended 31 March 2015 are set out below:

<i>Post</i>	<i>Name</i>
Chief Executive (from 20 October)	Declan McGeown
Chief Executive (1 April to 19 October)	Paula Jack
Director of Corporate Services	Jill Brown
Director of Custodial Services	Philip Tooze
Director of Youth Justice Services	Mary Aughey
Head of Business Improvement	Orlaith McGibbon
Independent Board Member	Sarah Havlin
Independent Board Member	David Brown

Board Members' Interests

A Register of Interests is maintained by the Agency, in keeping with best practice, to record declarations of personal, or business interests which may conflict with responsibilities as a member of the Agency's Management Board. A copy of the Register is available on request.

Details of transactions of the Agency with organisations in which Board Members hold an interest and which could potentially conflict with their management responsibilities are disclosed in the Related Party Transactions note in the financial statements on pages 93 to 95.

Events After the Reporting Period

Since 31 March 2015, applications for the Voluntary Exit Scheme have been processed, communicated and agreed with staff. This has resulted in an obligation arising on the department, since the balance sheet date. This is a non-adjusting event and consequently, the 2014-15 accounts have not been adjusted. It is expected that payments to settle this liability will be made during the 2015-16 financial year.

Audit

The Financial Statements were audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office (NIAO) and is appointed by statute and reports to the Northern Ireland Assembly. His certificate and report is reproduced at pages 57 to 59.

As far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The notional audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these Financial Statements, was £17k (2013-14: £15k).

During the financial year the Agency paid £1k (2013-14, nil) to the NIAO for work associated with the National Fraud Initiative (NFI) 2014-15 exercise.



DECLAN MCGEOWN

Chief Executive

17 June 2015

Strategic Report

History and Statutory Background

The Youth Justice Agency (the Agency) was established on 1 April 2003 as an Executive Agency within the Northern Ireland Office following the recommendations of the Criminal Justice Review. The Agency's policy framework is set by Ministers and the Agency is directly accountable to Ministers through its Chief Executive, for the delivery of services and the management of resources in accordance with this policy.

On 12 April 2010, justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice (DoJ) came into existence as a new Northern Ireland Department. From that date, the Agency became an Executive Agency of the Department of Justice.

Review of Performance 2014-2015

Performance Summary

The Agency's Business Plan for 2014–15 set out a challenging programme of 19 performance targets and 25 development objectives. Performance can be summarised under the four priority areas as follows:-

Performance Targets

		Fully Met	Partially Met	Not Met	Total
PA 1	Making Communities Safer	5	0	1	6
PA 2	Faster, Fairer Justice	4	0	0	4
PA 3	Delivering Effective Youth Justice	4	0	0	4
PA 4	Managing Resources	4	0	1	5
Total		17	0	2	19

Development Objectives

		Fully Met	Partially Met	Not Met	Total
PA 1	Making Communities Safer	7	3	0	10
PA 2	Faster, Fairer Justice	2	1	0	3
PA 3	Delivering Effective Youth Justice	7	0	1	8
PA 4	Managing Resources	4	0	0	4
Total		20	4	1	25

2014-2015 PERFORMANCE REVIEW

Priority Area 1: Making Communities Safer

Strategic Aim: To reduce offending by young people and build community confidence in the services we deliver.

Performance Targets

<p>PT 1: No escapes from within the Juvenile Justice Centre.</p>	<p>Target Met No escapes</p>
<p>PT 2: 95% of young people remanded or committed will receive a mental health assessment within 24 hours.</p>	<p>Target Met 98% achieved (348 out of a possible 356 assessments completed within timescale).</p>
<p>PT 3: Maintain a rate of restraints lower on average than similar sized secure centres in England & Wales.</p>	<p>Target Met Although the number of JJC restraints has increased to 103 incidents in the 2015 calendar year (up from 91 in 2014), this has had only minimal impact upon our RPI figure of 0.09 (up from 0.08 in 2014). Although we do not yet have comparative data from YJB, this figure remains significantly lower than last year's RPI statistics for similar sized centres in E&W and we can therefore be confident that this target has been met.</p>
<p>PT 4: 95% of all young people committed to have a multi-agency rehabilitation plan in place for statutory supervision upon their release.</p>	<p>Target Not Met 94% achieved (46 out of 49).</p>

PT 5: 90% of young people convicted of offences related to sectarianism to undertake a 'Beyond Sectarianism' intervention.

Target Met

100% achieved (7 in total). It should be noted that numbers of such cases are statistically very small.

PT 6: Achieve a stakeholder confidence level of at least 70% in the work of the Agency.

Target Met

Annual stakeholder survey produced a stakeholder confidence level of 72.6%.

Development Objectives

DO 1: Work with the Department of Education, Department for Employment & Learning and the Department of Justice on the shape and future delivery of education in Woodlands Juvenile Justice Centre.

Objective Partially Met

Work is ongoing to explore options for taking this forward. Further work is planned for 2015-16.

DO 2: Work with the Health & Social Care Board, the South Eastern Health & Social Care Trust, DHSS&PS and the Department of Justice to establish a forensic mental health service, an in-reach Community Forensic Child & Adolescent Mental Health Service for children in custody and to secure the transfer of responsibility for delivering healthcare within Woodlands to the South Eastern Health & Social Care Trust.

Objective Partially Met

The Community Forensic Child & Adolescent Mental Health Service (CFCAMHS) is now in place with further recruitment required for both the CFCAMHS service and the in-reach service to Woodlands. Discussions are ongoing at a senior level to take this forward.

DO 3: Monitor and evaluate the Education, Training and Employment (ETE) achievement of young people in the community and establish a process to ensure all children leaving custody are linked to ETE within 4 weeks of discharge.

Objective Met

A system to monitor and evaluate ETE achievement of young people in the community has been established.

<p>DO 4: Develop a restorative practices policy within Woodlands Juvenile Justice Centre.</p>	<p>Objective Met The policy has been approved and full implementation is expected by September 2015.</p>
<p>DO 5: Implement the Agency's revised Safeguarding / Child Protection policy in line with Safeguarding Board for NI (SBNI) standardised training.</p>	<p>Objective Met The revised policy has been approved and a comprehensive staff training programme completed.</p>
<p>DO 6: Ensure that the multi-agency risk assessment tool is used to assess all young people remanded or committed to Woodlands to identify those who may be at risk of Child Sexual Exploitation.</p>	<p>Objective Met The multi-agency CSE risk assessment tool has been rolled out throughout Woodlands JJC.</p>
<p>DO 7: Deliver a programme of local community-based events in support of the Agency's Community Engagement Strategy (within each area office).</p>	<p>Objective Met A series of local community based events has been delivered across each of the seven area teams.</p>
<p>DO 8: Engage in partnership working with a range of statutory, voluntary and community partners.</p>	<p>Objective Met Partnership working with a range of statutory, voluntary and community partners is ongoing.</p>
<p>DO 9: Develop and promote our services within the community by undertaking meaningful reparative activity to repair harm and promote integration and rehabilitation.</p>	<p>Objective Met Meaningful reparative activity placements have been sourced and provided by all seven area teams.</p>
<p>DO 10: Work in partnership with the Department of Justice, the Police Service of Northern Ireland and the Public Prosecution Service to establish Youth Engagement Clinics throughout Northern Ireland.</p>	<p>Objective Partially Met Youth Engagement Clinics have been established within six of the seven area teams. Training is underway in the remaining area, Omagh.</p>

Priority Area 2: Faster, Fairer Justice

Strategic Aim: To promote a faster, fairer system of youth justice by delivering our statutory responsibilities within agreed timescales and by meeting the needs of young people, families and victims.

Performance Targets

<p>PT 7: 95% compliance with agreed time frame in returning youth conference reports to the Public Prosecution Service and to Court.</p>	<p>Target Met 96.1% compliance within agreed timeframe. This was based upon 1,143 conferences out of 1,189 (excluding 213 exemptions¹)</p>
<p>PT 8: 100% of young people remanded to the Juvenile Justice Centre to have a bail assessment commenced within 2 working days and completed within 5 working days.</p>	<p>Target Met 100% achieved. 279 bail assessments/ re-assessments were required during 2014-15. All were commenced and outcomes achieved within the specified target timeframes.</p>
<p>PT 9: Each Area team will have a minimum of 10 families fully engaged in their young person's programme of work and will be offered family support programme interventions.</p>	<p>Target Met Achieved across all seven area teams with a total of 110 families fully engaged.</p>
<p>PT 10: 45% of youth conferences to have a direct victim,² or an individual representing the victim, in attendance where a victim has clearly been identified.</p>	<p>Target Met 47.6% achieved (419 out of 880).</p>

1 Consideration of exemption is linked to the complexity of cases arising from child protection issues, mental health and sexually harmful behaviour. All exemptions are validated by an Assistant Director.

2 The definition of a direct victim was reviewed and amended during the year. A direct victim is defined as someone who has been harmed financially, physically or psychologically.

Development Objectives

DO 11: Evaluate our bail information and support scheme and implement agreed recommendations arising from that evaluation.	Objective Met Review completed and a new Court Liaison Team established, piloting initially in Belfast and Lisburn.
DO 12: Develop protocol arrangements with the Health & Social Care Board and with the NI Housing Executive to provide accommodation for young people subject to bail information and/or support.	Objective Partially Met A suitable model has been identified and work to map the pathways and operational arrangements continues.
DO 13: Develop an on-line satisfaction survey for all young people, parents/carers and victims and use this information to improve services provided.	Objective Met Young people and parents surveys are in place. Victims survey has been developed with roll-out planned for 2015-16.

Priority Area 3: Delivering Effective Youth Justice

Strategic Aim. To develop, deliver and continuously evaluate our services to support the delivery of youth justice within communities and custody

Performance Targets

<p>PT 11: 95% of young people referred to the Agency³ (excluding PACE referrals) where drugs and/or alcohol is a concern are assessed using RIAT (Regional Initial Assessment Tool) or a similarly focused assessment tool and, where appropriate, are referred on to relevant services.</p>	<p>Target Met 96.1% achieved (317 out of 330).</p>
<p>PT 12: Each Area team will have a minimum of 5 volunteers trained and engaged in direct work with young people⁴.</p>	<p>Target Met Achieved across all seven area teams with a total of 52 volunteers engaged.</p>
<p>PT 13: 95% of young people defined as high risk and who are subject to a Youth Conference Order⁵ to be referred to an appropriate local community facility⁶.</p>	<p>Target Met 97.3% achieved (72 out of 74).</p>
<p>PT 14: 80% of young people assessed as suitable⁷ for the Intensive Support and Supervision Programme (ISSP) to be offered at least 15 hours contact per week in the first three months of the programme.</p>	<p>Target Met 100% achieved (78 in total).</p>

3 Target monitoring excludes the Juvenile Justice Centre

4 The methodology for measuring this target was reviewed and amended during the year

5 The methodology for measuring this target was reviewed and amended during the year to look at ISSP in lieu of YCOs

6 Local community facility includes youth or sports clubs, church groups, drop-in centres, mainstream youth support groups

7 Suitability for ISSP may vary during the year due to the changing nature of young people's circumstances

Development Objectives

<p>DO 14: Refer all young people, where appropriate, to the Duke of Edinburgh's Award Scheme or other accredited scheme.</p>	<p>Objective Met All young people are referred, where appropriate, to this award scheme.</p>
<p>DO 15: Develop the Speech and Language Therapist role and establish a mechanism to measure its impact on young people with speech, language and communication difficulties.</p>	<p>Objective Not Met This has not been possible due to budgetary constraints but will be kept under review.</p>
<p>DO 16: Review and develop interventions suitable to the needs of those from ethnic and other minority backgrounds.</p>	<p>Objective Met This has been completed and will be taken forward within Youth Justice Services and Woodlands JJC.</p>
<p>DO 17: Continue to develop an Agency hate crime policy and promote via awareness raising and training for all staff.</p>	<p>Objective Met The Hate Crime approach has been approved. Training and awareness raising sessions have taken place in preparation for launch in May 2015.</p>
<p>DO 18: Develop joint working/delivery of interventions and community based programmes between Youth Justice Services and Woodlands Juvenile Justice Centre staff.</p>	<p>Objective Met Greater linkages have been achieved in terms of continued delivery of seamless work plans, a greater number of community service hours completed in custody, and more joined up delivery between youth justice practitioners (community) and key workers (custody).</p>
<p>DO 19: Utilise Section 75 information to monitor equity of provision for all service users.</p>	<p>Objective Met A database has been developed and information is reviewed on a quarterly basis.</p>

DO 20: Develop and promote a multi-Directorate 'Innovation and Best Practice Forum'.

DO 21: Monitor our effectiveness through the use of re-offending rates produced by the Department of Justice.

Objective Met

Four meetings of the Forum have taken place to date.

Objective Met

Two reoffending bulletins were published during the year and both have been examined with regard to the Agency's performance.

Priority Area 4: Managing Resources

Strategic Aim: To develop a multi-skilled workforce which is flexible and capable of delivering a high quality service; and to use resources effectively, deliver best value and operate best practice in corporate governance.

Performance Targets

<p>PT 15: 90% of complaints received by the Agency to be resolved at stages 1 or 2 of our complaints procedures.</p>	<p>Target Met 94.7% achieved. Only one of the 19 complaints received reached Stage 3 of our complaints procedures.</p>
<p>PT 16: Meet the Department of Justice sick absence target of 9.2 days per member of staff.</p>	<p>Target Not Met Absence rate was 16.4 days per member of staff. The Agency has experienced unusually high levels of long-term absence.</p>
<p>PT 17: Maintain expenditure within approved budgetary limits.</p>	<p>Target Met Sufficient savings were identified to meet in-year budget reduction requirements.</p>
<p>PT 18: Secure appropriate funding from the Department of Justice for the 2015-2016 spending review period.</p>	<p>Target Met Fundamental review of all expenditure areas completed to meet the required budget reductions for 2015-16 and key business objectives reprioritised accordingly.</p>
<p>PT 19: Publish and lay the Agency's 2013-2014 Annual Report & Accounts with the Northern Ireland Assembly before the summer recess.</p>	<p>Target Met Annual Reports and Accounts published and laid with the Northern Ireland Assembly on 4 July 2014.</p>

Development Objectives

DO 22: Implement the Agency's corporate social responsibility guidance and procedures.

Objective Met

Guidance and procedures have been completed and made available via the Agency staff intranet.

DO 23: Complete a skills audit and training needs analysis of all practice staff across the Agency.

Objective Met

A Skills Audit has been undertaken of all practice staff across the Agency.

DO 24: Carry out a review of the Agency estate in line with the Department of Justice Estates Strategy Review.

Objective Met

Further rationalisation of the Agency Estate was implemented in 2014-15. The Agency continues to engage fully on the DOJ Estates Strategy.

DO 25: Develop and implement a one child / one file system plan.

Objective Met

System developed, testing undertaken, and roll-out across all Area Offices nearing completion.

Report by Independent Complaints Reviewer

An independent aspect to the Agency's complaints process is delivered through an Independent Complaints Reviewer (ICR).

The annual report of the ICR for 2014-15 is reproduced below:-

Independent Complaint Reviewers Annual Report 2014-2015

Jodi Berg OBE and Elizabeth Derrington lead the ICR office, the Independent Complaints Review service for the Youth Justice Agency. Both hold similar roles for other public bodies.

The ICR service is free to people unhappy with the answers they have received to their complaints from the Youth Justice Agency. The ICR office responds to all enquiries in an efficient and courteous way. Our leaflet 'Seeking a Fair Resolution' is available on our website at www.icrev.org.uk or from the Youth Justice Agency.

Introduction by Jodi Berg OBE

I am pleased to present our annual report. Our role is to deal with complaints escalated to independent review if people are unhappy with the response given by the Agency itself, and to monitor the operation of the internal complaint process. Although complaints about the Agency are not common, when they do arise they need to be dealt with in an open and transparent way with the intention of giving a fair response to the complainant and, where necessary, learning from problems that have occurred. If the Agency cannot settle the complaint itself, it is essential that people have somewhere to turn that is independent and impartial. The ICR office takes pride in the quality of the service we provide to those people who need our help.

ICR review will consider what people can reasonably expect from the Agency and whether standards were met in their case. We can give advice and help to people who wish to raise complaints with the Agency; we can negotiate an agreement as to how complaints should be resolved; or we can carry out an investigation to decide whether a complaint is justified. If we uphold a complaint, we can recommend redress for the complainant, such as an apology, or improvements to the Agency's service. Complainants who are not happy with an ICR decision have the right to refer their concerns to the Northern Ireland Ombudsman. More information about the Ombudsman can be found at: www.ni-ombudsman.org.uk

As part of our role, I visit the Agency to check on the quality of its internal complaints procedures. My last visit was in March 2015 when I was able to visit the Woodlands Juvenile Justice Centre, the Agency's custodial facility, and the Lisburn Area Office. I was pleased to meet young people and staff and learn about how the complaints procedures are working and whether things can be improved. I can report that whether going into custody or being seen in the community, all young people are told about complaint processes during their induction and there are no barriers placed in the way of them raising issues or formal complaints. I was also able to meet with the Agency's new Chief Executive, Declan McGeown, to exchange views and reassure him about the health of the Agency's complaints practice.

This year I was asked to benchmark the Agency's complaints procedures and handling, against other public bodies I have worked with, as part of the Agency's response to the Criminal Justice Northern Ireland Inspection Report – The handling of complaints by the criminal justice system. I have done so based on my experience of working with a range of organisations in health, social security, administrative justice, and criminal justice. In addition, as Chair the Administrative Justice Forum I have a broad overview of dispute resolution practice and procedures. I am pleased to report that in my opinion the Agency measures up well against other public bodies. It has a clear and straightforward procedure for handling complaints, which is revisited and updated as necessary. Information leaflets for young people are colourful, easy to read and simple to follow. The Management Board takes a keen interest in complaints and receives quarterly reports which include statistical and qualitative information on complaints. Staff follow this example and are keen to ensure that all complaints are dealt with quickly and appropriately with lessons learned wherever possible. As a result most complaints are settled at step 1 ("talk to a member of staff") or step 2 ("complain to a senior manager"). Complaints are rarely referred to a Director (step 3) or to the ICR office (step 4). My experience is that complaints are valued for the light they shed on the quality of the Agency's service to young people. I note that the Youth Justice Agency is one of the few public bodies in the UK to introduce its own independent tier of complaint handling which ensures through regular review that its processes are up to speed. This demonstrates the Agency's ongoing commitment to best practice in this important area of its work.

The Reporting Year

Based on past experience, we expect the Agency to resolve complaints internally and I can report that this year we received no complaint referrals. During the year, the Agency recorded 19 internal complaints. Of these 6 were resolved at step 1 of the process and 11 at step 2 (1 remains open). 1 further complaint remains to be finalised. Most complaints were

made about Custodial Services, however numbers remain very low in light of the difficult circumstances in which young people find themselves. Complaints made included one from a young person who felt his education was not being taken seriously, and this was resolved by a meeting with the Head of Education. Another concerned the availability of mental health services at Woodlands, and this was resolved by a discussion with the Deputy Director and a Psychologist. Complaints made about other services provided by the Agency included a complaint from a parent of a young person concerned about the lack of continuity in care as a result of staff changes, and this was resolved by recognition of the value of building relationships between staff and young people and agreement that the previous case officer should retain the young person's case. Most complaints were resolved quickly to the satisfaction of the complainants involved. However there were two particularly serious issues that arose which await resolution. In one, as appropriate to the circumstances, the complaint is suspended until the outcome of criminal proceedings is known, and in the other, an independent expert report was commissioned by the Agency. I will follow up on these complaints during the coming year to see if there are lessons that can be learned.

Overall, I am satisfied that the Agency has dealt with complaints well during the year. However, I am pleased to note that, following recommendations made in earlier ICR reports, it has carried out a thorough review of its procedures. These have been updated and new information and leaflets have been prepared and designed and will be introduced as soon as possible. In terms of informal concerns raised by young people, I noted that a Youth Forum has been introduced at Woodlands, chaired by a member of the Start 360 team, to enable young people to raise issues of concern in an informal way and to propose changes they would like to see introduced. I was fortunate to attend a Youth Forum meeting and was impressed by the way in which the young people presented their concerns and the serious way in which they were treated. In addition, members of the Start 360 team visit Woodlands 3 times a week to offer an independent person with whom young people can talk through issues. This service is clearly valued by young people and staff alike, however I noted that the concerns raised are not fed through to the Management Board, which does not afford the Board a realistic picture of young people's complaints about Agency services.

Recommendation: *The Monthly Monitoring Report prepared by Start 360 should be submitted to the Complaints Officer for collation with his quarterly Board reports.*

Within the Youth Justice Services teams the methodology for capturing issues raised is not so clear cut. However, it is important that this valuable information is not lost.

Recommendation: *Time should be set aside in managers' team meetings for staff to share issues of concern raised informally by young people, and to explain how they were resolved or get advice from colleagues on how to respond. Issues raised should be recorded and submitted to the Complaints Officer for collation with his quarterly Board reports in order to identify trends and learning points.*

Finally, I record our thanks to the Agency Board, the Complaints Officer and senior managers for their support for the ICR role. We look forward to working with the Agency in the coming year.

Contact the ICR team

We treat everyone with fairness and sensitivity, understanding how difficult it can be to complain about people in positions of authority. We work to high standards recommended by the Ombudsman Association and have been awarded the BSI complaints management standard.

We respect the privacy of complainants and do not publish information about them or their case, or discuss individual complaints with any third party. We are able to see all of the Agency's files and information in order to investigate a complaint but have no authority to release any of this to anyone else, including the person making the complaint. Requests for data or information must be made direct to the Agency.

Contact us at:

Correspondence address: Dover House, 66 Whitehall, London SW1A 2AU

e-mail: enquiries@icr.gsi.gov.uk

Telephone: 020 7930 0749

Looking Forward

The Agency operates in a very demanding environment and against a background of major change and developments ongoing across the youth justice system.

In the coming year the Agency will lead a scoping review to consider whether the legislative, strategic and structural architecture surrounding the youth justice system is sufficient to address the many and complex needs of the children who come into contact with it.

The review will take a radical look at the sentencing framework with a view to simplifying and streamlining it, and to addressing the overuse of the juvenile justice centre at Woodlands for non-sentenced children.

The review will also encompass pre-sentencing, specifically the way the system organises itself to respond to the needs of those children and young people on the verge of offending behaviour. Indeed, funding has recently been secured to support the Cross Executive Early Intervention Transformation Programme, a three year pilot project enabling local communities to work directly with the Youth Justice Agency and the PSNI to deliver meaningful interventions.

The provision of education and healthcare for children in custody will also remain under review in 2015-16.

Operating Review

A full review of the Agency's business for the year, its future development, and the exposure of the Agency to risk is set out in the Operating & Financial Review, and in the Agency's Business Plan 2014-15. The net cost of operations for the year ended 31 March 2015 was £18,900k (2013-14, £18,508k). Further detail is provided in the Financial Review on pages 30 to 33.

Pension Liabilities

The Youth Justice Agency makes employer contributions to three pension providers:

- Principal Civil Service Pension Scheme NI (PCSPS NI);
- Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC);
- Teachers' Superannuation Scheme (TSS)

Details of the above schemes are disclosed in the Remuneration Report on pages 34 to 42. The treatment of pension liabilities in the financial statements is disclosed in the accounting policies note (Note 1) on page 67.

Health & Safety

The Youth Justice Agency is committed to providing for staff, young people placed into custody, and visitors an environment that is as far as possible safe and free from risk to health. The Agency accepts the responsibilities as outlined within the scope of the Health and Safety at Work (NI) Order 1978 and does all it can to ensure the full commitment at all levels of management and the cooperation of all members of staff in order to meet its obligations under this legislation.

Safeguarding / Child Protection

The Agency is committed to the protection of children and young people from abuse and seeks to achieve this by operating safe, secure and caring environments that address the needs of the child, whilst reducing risk to and from others. All children, staff, parents and representatives of other organisations who use, or have contact with, Agency services are encouraged to be alert to and report any concerns about abuse. All concerns, whether past or present, will be responded to in keeping with these principles and procedures.

The Youth Justice Agency is governed by its Safeguarding Guidance and Procedures and they will be followed in all cases. The Agency has recently revised and updated these procedures. The revised guidance will be operational from 1 June 2015. Staff have been fully trained on the revised procedures.

During 2014-15 a total of fifty-one child protection allegations/referrals were received by the Agency. All of these related to occurrences outside the jurisdiction of the Agency (i.e. incident occurred before young person came into contact with the Agency) and were as a result of disclosure by children to members of staff, disclosure by family, or other representatives of the child, and arising through assessment processes. Twenty-four of these disclosures arose within custody at Woodlands Juvenile Justice Centre, while the remaining twenty-seven were reported via our community based teams. Referrals were due to a variety of reasons, but a significant proportion related to allegations of assault by parents, by police during arrest, and alleged community/paramilitary threats to young people. The Agency's Child Protection policy was followed in each case and referrals made to the appropriate authorities.

Complaints

The Agency has an easy to understand and responsive complaints procedure which encourages anyone who feels they have been treated unfairly or inappropriately by the Agency to speak out so that concerns can be addressed.

The aim is to resolve complaints to the satisfaction of the complainant at the earliest possible stage of the Agency's four-stage complaints process and this approach is monitored by way of a published performance target (PT15) which challenges the Agency to *"... resolve 90% of complaints received at stages 1 or 2 of its complaints procedures..."*. Performance against this target is monitored and reported in the Performance Review section of the Agency's published Annual Report & Accounts 2014-15.

An independent aspect to the Agency's complaints process is delivered through an Independent Complaints Reviewer (ICR) who has open access to the Agency through regular visits and who produces an annual overview report which is replicated in full within the Strategic Report section of the Agency's published Annual Report & Accounts 2014-15. This will include evidence that lessons learned from complaints will be used to improve and influence the development and refinement of Agency services.

During 2014-15 a total of nineteen complaints were received by the Agency. Six of these were resolved at Stage 1 of the process and eleven at Stage 2 (and a further one remains ongoing at year end). The remaining complaint has been escalated to Stage 3 and remains to be finalised at year-end.

Full details of the Agency's complaints procedures can be found on the Agency website at http://www.youthjusticeagency.ni.gov.uk/about_us/complaints/

Equal Opportunities

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations, to ensure that equality issues are integral to the whole range of public policy decision making.

The Youth Justice Agency is fully committed to the Equality Scheme and ensures that appropriate training is delivered to staff.

Employees with Disabilities

The Agency aims to ensure that people with a disability suffer no detriment in recruitment and advancement, and that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and amendments made under the Act. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities.

Employee Relations

The Youth Justice Agency recognises the importance of good employee relations and is committed to effective employee communications.

During 2014-15 the Agency published regular staff bulletins and Board briefings via e-mail and intranet. Managers also held regular section and team meetings to communicate with staff, receive feedback, and give staff the opportunity to raise any issues for the attention of senior management. Taken together these served as a communications framework to deliver information to staff on a timely basis.

Regular meetings are held with representatives of the Trade Unions in line with the Agency's Industrial Relations policy and arrangements.

Sick Absence

The average number of days per employee lost through sickness absence during 2014-15 and 2013-14 was as follows:

Average No. of Days per WTE* Employee Lost Through Sick Absence

	2014-15	2013-14
Directorate	No. of Days	No. of Days
Juvenile Justice Centre, Woodlands	22.7	11.7
Youth Justice Services & Business Improvement	11.5	18.0
Total for Service Directorates	17.5	14.6
General Service Grade Staff	13.3	7.8
Total for YJA	16.4	12.8

*WTE = Whole Time Equivalent

Payment of Suppliers

Payment within 10 workings days

The Department's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

Monthly statistics highlight that, during 2014-15, the Agency paid 89.50% (2013-14, 86.59%) of invoices within 10 working days following receipt of a properly rendered invoice. The prompt payment figure improved in 2014-15 due to better working practices being established within the Agency.

Data Security

The Agency has a responsibility to safeguard the information it holds, both in electronic and hard copy format, and has in place data security procedures which mirror those of the Department of Justice to minimise the risk of compromise of that information. Information assurance issues are reported quarterly to the Agency Management Board.

During the year the Agency reported three incidents regarding Information Security to the Department of Justice. All of the incidents were regarded as **minor**. In each case, Departmental Security was content with the actions taken and for the Agency to manage the incidents internally.

Agency staff completed "Responsible for Information" e-learning during 2014-15.

Further details of arrangements relating to information assurance are given in the Governance Statement.

Environmental Matters

The Agency is concerned that it minimises its environmental impact, and therefore recycles paper, plastic, cardboard and cans to reduce the amount of waste that is disposed to landfill. The Agency also encourages staff to car share when undertaking business journeys.

Freedom of Information

The Freedom of Information Act 2000 provides a general right of access to information held by public authorities in the UK subject to certain exemptions.

It is intended to promote a culture of openness and accountability amongst public sector bodies, and therefore facilitate better public understanding as to how public authorities carry out their duties, why they make the decisions they do, and how they spend public money. The Agency displays, on its website, the processes by which information requests can be made.

During 2014-15 the Agency received 14 requests for information under the Freedom of Information Act and 13 requests for personal information under the Data Protection Act. In all cases, responses were provided within the statutory time limits.

Estates Review

The Agency's Estate requirements are reviewed monthly by the Estates, IT and Procurement Committee. During the year the Agency further rationalised its Estate in line with our Estates Strategy proposals for 2014-15, reducing the number of satellite offices within the Youth Justice Services Directorate.

Financial Review

Financial Statements

The financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FRM) issued by the Department of Finance and Personnel (DFP), and directions given by the DFP, under section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001. DFP requires the Youth Justice Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

Financial Provision & Cash Flow

The Youth Justice Agency is financed as part of the overall Department of Justice (DoJ) Departmental Expenditure Limit (DEL) voted by the NI Assembly. The total cash requirement for the year from DoJ was £18,304k (2013-14, £17,919k).

Net Operating Cost

The total net operating cost of the Agency for 2014-15 was £18,900k and is compared to the previous four financial years in the table below:

Five Year Review

Summary of Youth Justice Agency Net Operating Costs: 2010-11 to 2014-15

	2014-15 £'000	2013-14 £'000	2012-13 £'000	2011-12 £'000	2010-11 £'000
Income	(147)	(59)	(71)	(388)	(353)
Staff Costs	15,307	13,845	13,948	13,732	11,247
Administration Costs	2,690	3,070	3,060	3,550	3,651
Programmes & Initiatives Costs	754	1,042	1,049	1,472	1,368
Depreciation	502	493	510	543	555
Impairment of Buildings	(1,133)	(1,213)	436	(204)	(372)
Other Non-Cash Costs	927	1,330	969	623	423
Net Operating Cost	18,900	18,508	19,901	19,328	16,519

Income

The increase in income for 2014-15 relates to £90k funding received from the Driver Vehicle Agency Northern Ireland (DVANI) for compensation costs of 2 staff who took voluntary redundancy through the DVA Voluntary Exit Scheme.

Expenditure

Staff Costs

Staff costs have increased to £15,307k (an increase of £1,462k) compared to 2013-14, due to the additional £1,969k provision for the transfer of staff pensions which was off-set by a reduction in salary costs due to the Agency carrying vacant posts.

Administration Costs

Expenditure on administration costs has decreased by £380k.

Programmes & Initiatives Costs

Expenditure on programmes & initiatives has decreased by £288k .

Non-Cash Costs

The value of the Woodlands Juvenile Justice building increased during 2014-15 due to the reversal of a previous impairment of land & buildings of £1,133k being credited to the Statement of Comprehensive Net Expenditure. A reversal of a previous impairment of land & buildings of £1,213k occurred in 2013-14.

Other non-cash costs (excluding depreciation and impairment of land & buildings) have decreased by £403k due to a decrease in intra departmental notional charges, lower legal provisions in year, plus a reduction in the borrowing costs of provisions.

Capital Expenditure

Details of the movement of property, plant & equipment which includes expenditure on IT, replacement fixtures & fittings and plant & equipment to support the Agency's activities are set out in Notes 6 & 7 to the financial statements. Capital expenditure in 2014-15 totalled £114k, which included expenditure for the installation of an integrated personal alarm system at JJC Woodlands and expenditure on a secure file record storage area.

A comparison of capital expenditure for each of the last five financial years is shown in the following table:

Five Year Review

Youth Justice Agency Capital Expenditure 2010-11 to 2014-15

	2014-15 £'000	2013-14 £'000	2012-13 £'000	2011-12 £'000	2010-11 £'000
Capital Expenditure incurred by the Agency	114	173	113	260	195
Capital Expenditure funded by the DoJ	-	-	5	229	-
Total	114	173	118	489	195

Financial Position

The Agency's total net assets at 31 March 2015 are £6,976k. This represents a decrease of approximately £930k (12%) since 31 March 2014. This is primarily due an increase in the NILGOSC pension provision (Notes 11 & 12) from £6.3m to £7.9m brought about by the policy decision to move staff on to the PCSPS (NI).

Total current assets have fallen by £11k (5%) due to a decrease in cash and cash equivalents by £26k, which is offset by an increase in receivables and prepayments of £15k at 31 March 2015.

Provisions have increased by £1,564k (23%) mostly due to an increase in the pension deficit.

Other liabilities have increased by £193k (13%) due to a change in cash and cash equivalent balances and increases in accruals and trade payables.

A five-year comparison of the Agency's financial position for each year is shown in the following table:

Five Year Review


Summary of Youth Justice Agency Assets & Liabilities: 2010-11 to 2014-15

	2014-15 £'000	2013-14 £'000	2012-13 £'000	2011-12 £'000	2010-11 £'000
Property, Plant & Equipment	16,861	16,023	15,123	15,964	15,840
Other Current Assets	201	212	236	349	567
Provisions	(8,375)	(6,811)	(10,404)	(9,234)	(4,038)
Other Liabilities	(1,711)	(1,518)	(1,556)	(1,358)	(1,253)
Net Assets	6,976	7,906	3,399	5,721	11,116

Financial Risk

For 2014-15, the Youth Justice Agency relied primarily on the Department of Justice for funding and the risk to this funding is low.

The Agency transacts and holds its assets & liabilities in sterling, and has no borrowings. The Agency is therefore not materially exposed to exchange rate or liquidity risk.



DECLAN MCGEOWN

Chief Executive

17 June 2015

Management Board Remuneration Report

Remuneration Policy

The Agency does not have a Remuneration Committee. The remuneration of Senior Civil Servants (SCS) is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Review for SCS was the second phase of the equal pay settlement by the Executive.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org

The Directors of the Youth Justice Agency hold appointments which are open-ended. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Independent Board Members are appointed for 3 years, renewable by agreement.

Chief Executive and Executive Directors

Declan McGeown (Chief Executive) was appointed on 20 October 2014.

Paula Jack (Chief Executive) took a career break on 19 October 2014.

Jill Brown was appointed Acting Director of Corporate Services on 24 February 2014.

Philip Tooze (Director of Custodial Services) was appointed on 6 October 2003.

Mary Aughey (Director of Youth Justice Services) was appointed on 1 December 2011.

Orlaith McGibbon was appointed Head of the Business Improvement Directorate on 1 April 2013.

Independent Board members

Sarah Havlin and **David Brown** were appointed on 31 March 2014 for a period of three years.

Salary & Pension Entitlements [audited information]

The following sections provide details of the remuneration and pension interests of the Chief Executive and senior management of the Agency.

Chief Executive

Declan McGeown received remuneration of £30,145 from 20 October 2014 to 31 March 2015.

Paula Jack received remuneration of £36,729 from 1 April 2014 to 19 October 2014 (2013-14, £66,156). Paula Jack is an ordinary member of the Principal Civil Service Pension Scheme NI.

Independent Board members

In their roles as Independent Board Members, Sarah Havlin received total remuneration of £6,000 (2013-14, n/a) and David Brown received total remuneration of £8,250 (2013-14, n/a). In the prior year, Shane Logan received total remuneration of £5,806 and Linda Kerr received total remuneration of £5,806. This remuneration is not pensionable.

Salary

Salary includes gross salary, overtime, and any allowance to the extent that it is subject to UK taxation and any gratia payments, but excludes bonuses which are disclosed separately overleaf. The salary range reflects remuneration for the months in office. The Agency did not make any contributions to a Board Member's partnership pension account nor did it pay any compensation or make any award to former members of the Management Board.

Benefits in Kind

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

Remuneration

The following sections provide details of the remuneration and pension interests of the most senior management of the Agency [audited information]

2014-15				
Board Member	Salary £'000	Benefits in Kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (to nearest £1,000)
Mr Declan McGeown Chief Executive (from 20 Oct 2014)	30-35 (65-70 full year equivalent)	-	8,000	40-45
Ms Paula Jack Chief Executive (from 1 April to 19 Oct 2014)	35-40 (65-70 full year equivalent)	-	9,000	45-50
Ms Jill Brown Acting Director of Corporate Services (from 24 Feb 2014)	45-50	-	49,000	95-100
Mr Philip Tooze Director of Custodial Services	70-75	-	11,000	85-90
Mrs Mary Aughey Director of Youth Justice Services	50-55	-	9,000	60-65
Mrs Orlaith McGibbon Head of Business Improvement Directorate (from 1 April 2013)	40-45	-	8,000	50-55
Band of Highest Paid Director's Total Remuneration		70-75		
Median Total Remuneration		32,399		
Ratio		2.24		

Pay Multiple (ratio) of Highest Paid Director [audited information]

The Agency is required to disclose the relationship between the total remuneration of the highest paid Director and the median total remuneration of the remainder of the workforce. The banded remuneration of the highest paid Director in the financial year 2014-15 was £70,000-£75,000 (2013-14, £70,000-£75,000). This was 2.24 times (2013-14, 2.18 times) the total median remuneration of the remaining workforce which was £32,399 (2013-14, £33,311). The median total remuneration is based on a total remaining workforce of 324 at 31 March 2015 (31 March 2014, 339).

One employee employed in a specialist post received a full-time equivalent remuneration falling within the band £80,000-£85,000 (2013-14, £80,000-£85,000) which was in excess of the highest paid Director.

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

2013-14				
Board Member	Salary £'000	Benefits in Kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total (to nearest £1,000)
Ms Paula Jack Chief Executive	65-70	-	12,000	75-80
Ms Jill Brown Acting Director of Corporate Services (from 24 Feb 2014)	0-5 (45-50 full year equivalent)	-	5,000	5-10
Mr Philip Tooze Director of Custodial Services	70-75	-	8,000	80-85
Mrs Mary Aughey Director of Youth Justice Services	50-55	-	11,000	60-65
Mrs Orlaith McGibbon Head of Business Improvement Directorate	40-45	-	10,000	50-55
Band of Highest Paid Director's Total Remuneration		70-75		
Median Total Remuneration		33,311		
Ratio		2.18		

* Pension Benefits - 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 include increases due to inflation and any increase or decrease due to a transfer of pension rights.

Pension Benefits [audited information]

2014-15

Board Member	Accrued pension at pension age as at 31/03/15 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/15 £'000	CETV at 31/03/14 £'000	Real Increase in CETV £'000	Employers contributions to partnership pension account (Nearest £100)
Mr Declan McGeown Chief Executive (from 20 October 2014)	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 0-2.5	218	211	4	-
Ms Paula Jack Chief Executive (from 1 April to 19 October 2014)	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 0-2.5	270	252	6	-
Ms Jill Brown Acting Director of Corporate Services (from 24 February 2014)	10-15	2.5-5.0	190	150	30	-
Mr Philip Tooze Director of Custodial Services	25-30 plus lump sum of 60-65	0-2.5 plus lump sum of -0 - -2.5	560	527	26	-
Mrs Mary Aughey Director of Youth Justice Services	15-20 plus lump sum of 30-35	0-2.5 plus lump sum of -0 - -2.5	221	207	12	-
Mrs Orlaith McGibbon Head of Business Improvement Directorate (from 1 April 2013)	5-10 plus lump sum of 15-20	0-2.5 plus lump sum of -0 - -2.5	124	115	9	-

Off-Payroll Engagements

There were no off-payroll engagements at a cost of over £58,200 per annum in place during 2014-15, (2013-14, Nil).

Bonuses [audited information]

No bonuses were paid to members of the Management Board during 2014-15 (2013-14, £Nil).

Pensions Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements Principal Civil Service Pension Scheme NI (PCSPS NI), and the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). 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.

Northern Ireland Civil Service (NICS) Pension Arrangements

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 increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased 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 are eligible for membership of the nuvos arrangement or they can opt 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 increased annually in line with increases in the CPI.

A new pension scheme, Alpha, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move 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 increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contribution rates for all members for the period covering 1st April 2015 – 31st March 2016 are as follows:

Scheme Year 1st April 2015 to 31st March 2016

Pay Band – assessed each pay period		Contribution rates - Classic members	Contribution rates - Classic plus, premium, nuvos and alpha
From	To	From 1 April 2015 to 31 March 2016	From 1 April 2015 to 31 March 2016
£0	£15,000.99	3.0%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£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 3% and 12.5% (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 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are 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 will be linked to the member's State Pension Age but cannot be before age 65.

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Youth Justice Agency 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 DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £413k were payable to the NICS pension arrangements (2013-14 £448k) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

A new valuation scheme 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 a new career average earning scheme from April 2015. From 2015-16, the new rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Further details about the NICS pension arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

This Scheme is a funded multi-employer defined benefits type scheme which provides members from participating employers with benefits related to pay and service at rates which are defined under statutory regulations. To finance these benefits, funds are invested in suitable investments, and assets are accumulated in the Scheme which are held separately from the assets of employers.

The Scheme is funded by employers and employees who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations. The last valuation of the Scheme was on 31 March 2015. For 2014-15 the employer contribution rate was 23.3% (2013-14, 20%) of pensionable salary. The employee contribution rate ranged from 5.5% to 7.5% (2013-14, from 5.5% to 7.5%) of pensionable salary.

A policy decision was taken by the Department of Finance and Personnel (DFP) Corporate HR to recruit all new entrants to the Agency on Northern Ireland Civil Service terms and conditions. Subsequently it was deemed more appropriate for staff previously contributing

to the NILGOSC Scheme to transfer membership to the Principal Civil Service Pension Scheme (PCSPS) (NI), this transfer took effect on 1 April 2015 and as such a provision for the transfer value was created (see Note 12 for further details). This policy decision will have financial implications for the Agency.

Cash Equivalent Transfer Value (CETV)

A 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.

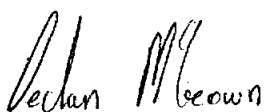
The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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 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.

The Real Increase in the Value of the 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.



DECLAN MCGEOWN

Accounting Officer

17 June 2015

ANNUAL ACCOUNTS
For the Year Ended 31 March 2015



Statement of the Agency's and Chief Executive's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance & Personnel (DFP) has directed the Youth Justice Agency of Northern Ireland to prepare for each financial year a statement of accounts in a form and on the basis set out in the accounts direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its net operating costs, statement of 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 DFP, 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; and
- Prepare the accounts on the going concern basis.

The Accounting Officer of the Department of Justice has designated the Chief Executive of the Youth Justice Agency as the Accounting Officer for the Agency. The responsibilities of an Agency Accounting Officer, include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records and for safeguarding the Agency's assets are set out in the Accounting Officer's Memorandum in *Managing Public Money Northern Ireland* issued by DFP. The Chief Executive is responsible for the maintenance and integrity of the information on the Agency's website.

Governance Statement

1. Scope of Responsibility

The Youth Justice Agency (YJA) is an Executive Agency of the Department of Justice (DoJ) and operates within the context of the Department's overall vision and strategic objectives. The principal aim of the Agency is to make the community safer by helping children to stop offending. In seeking to achieve this the Agency delivers a range of services, often in partnership with others, to help children and young people address their offending behaviour, divert them from crime, assist their integration into the community, and to meet the needs of victims of crime. The Agency's four priority areas around which our services are based are:

- Making communities safer
- Faster, fairer justice
- Delivering effective youth justice
- Managing resources

These align with Ministerial priorities within the DoJ, which, in turn, link directly with commitments made within the NI Programme for Government (PfG).

As the designated Accounting Officer for the Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI). I am accountable for the effective, efficient and economic use of resources provided to the Agency; for the regularity and propriety of its expenditure; and for ensuring that the requirements of Managing Public Money are met.

The Reducing Offending Directorate was established during this reporting year, following a restructuring within the DoJ. This new Directorate provides end to end support to individuals to reduce their risk of offending and brings together custodial services across Northern Ireland. This Directorate fulfils the sponsor role for Northern Ireland Prison Service (NIPS) and the Agency. A Framework Document is in place which defines the responsibilities of, and the relationship between, the Agency, the DoJ, Ministers and the Northern Ireland Assembly and outlines the Agency's financial structure, personnel management arrangements and relationship with other agencies. The document was reviewed in 2012 by the Department and the Agency in accordance with DFP guidance on Framework Documents.

Copies of this Framework Document are available on the Agency website.

Our Sponsor Directorate also approves the Agency's Corporate and Business Plan and regularly reviews the Agency's progress in achieving its objectives and key performance targets through quarterly review meetings. The Agency's key objectives are:

- to reduce offending by young people by challenging their behaviour and to build community confidence in the services we deliver;
- to promote a faster, fairer system of youth justice by delivering our statutory responsibilities within agreed timescales and by meeting the needs of young people, families and victims;
- to develop, deliver and continuously evaluate our services to support the delivery of youth justice within communities and custody;
- to develop a multi-skilled workforce which is flexible and capable of delivering a high quality service; and
- to use resources effectively, deliver best value and operate best practice in corporate governance.

2. Purpose of the Governance Framework

Managing Public Money Northern Ireland (MPMNI) summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to supplement the accounts, providing a sense of how successfully it has coped with the challenge it faces. The Agency's governance framework consists of the Board operating framework, the risk management framework, financial management systems and supporting policies and procedures. The governance framework delivers the systems and processes as well as the culture and values by which the Agency is directed and managed. It sets out how the Agency monitors the achievement of its strategic objectives and considers whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The Agency's Governance Framework is set out in the next section of this Governance Statement.

There is also a risk management system in place which is designed to identify the Agency's risk appetite and prioritise the risks to the achievement of Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised, their potential impact and to manage them effectively. The system of internal control has been in place in the Agency throughout the year ended 31 March 2015 and up to the date of approval of the accounts.

3. Governance Framework

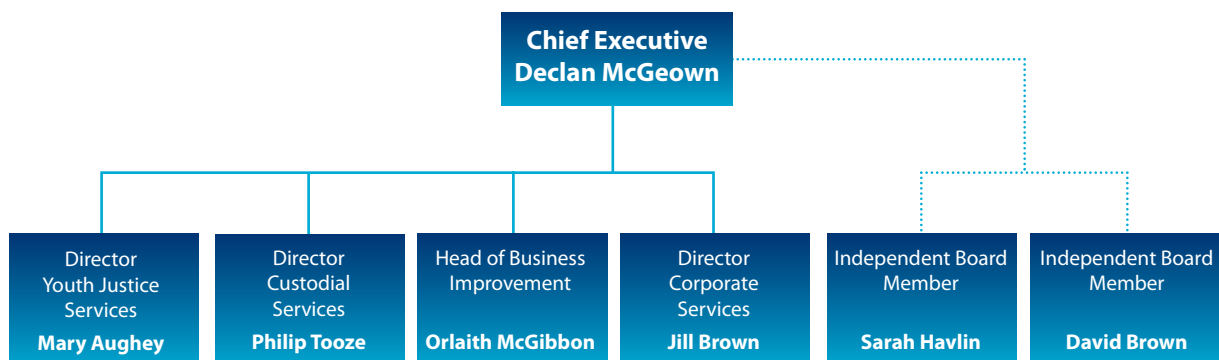
The Agency’s governance framework is overseen by the Management Board which provides collective strategic and operational leadership. The Agency’s governance framework complies with the Corporate Governance Code and is based on:

- a clear organisational structure with accountability structures;
- an effective business planning process including monitoring and evaluation of progress against targets;
- strong financial management controls including delegated authority limits;
- early implementation of guidance to relevant budget holders and monthly financial reporting analysis;
- proper procurement controls and adherence to DFP guidance;
- thorough appraisal of projects, with business cases being prepared for expenditure and approved within delegations; and
- progress against performance targets and development objectives are monitored throughout the business year and a full assessment published in the Agency’s Annual Report and Accounts.

I am supported by the Management Board which focuses primarily on operational policy, planning and priority setting and the monitoring of business performance. The three Directors have specific areas of responsibility. The two Independent Board Members bring a good mix of previous knowledge and experience from a wide range of other organisations both public and private sector. The Management Board meets each month and the meetings are chaired by me, the Chief Executive.

The Management Board is also supported by the Agency Accountant and the Head of Communications who also attend the monthly meetings. Current membership is as follows:

Management Board 2014-15



The Terms of Reference were revised in January 2015. The Management Board review its effectiveness and operating procedures every three years, unless an earlier review is considered necessary, in order to help enhance its performance and improve the organisation.

The Management Board is supported by a number of Committees working at an operational level within the organisation which gives the Board members assurance over the quality of the data being presented to them each month. The Committees are:-

- Estates, IT & Procurement Committee
- Audit Committee

During the year the Estates, IT Committee and Procurement Committees were amalgamated into a joint forum. This Committee meets once a month and is chaired by a Director, who is also a Board Member. The Committee operates under agreed terms of reference and are minuted. The Committee provides a report to the Management Board quarterly.

The Committee is responsible for ensuring that the Agency's estate is commensurate with business needs and delivers value for money. It also oversees the IT strategies, policies and operational requirements within the Agency to ensure they are in line with business needs and the DoJ Estates Strategy.

The Committee is responsible for all issues of control, governance and associated assurances in relation to the procurement of goods and services across the Agency. The role of the Committee is:

- to ensure best practice in the procurement of goods and services in line with the public procurement policy and CPD guidance;
- to ensure the Agency procurement strategy supports the objectives set out in the Corporate Plan;
- to ensure transparency, equality of opportunity and consistency in all procurement practices;
- to work towards achieving value for money through competitive tender, collaborative opportunities within the wider DoJ family, to provide advice to Senior Managers on the most efficient, economic and effective process for the procurement of goods and services;
- to identify areas for efficiency and establish Agency wide contracts for generic services; and
- to ensure best practice in contract management.

I am also supported by the Agency's Audit Committee who meets quarterly with a membership of:

- the Agency's two Independent Board Members, and
- a senior civil servant independent of the Agency from within the Northern Ireland Civil Service

Those who attend the Audit Committee are:

- The Chief Executive
- The Agency's three Directors
- The Agency's Accountant
- The Agency's Head of Information & Records Management
- The Head of DoJ's Internal Audit Division
- A Northern Ireland Audit Office (NIAO) representative

The objectives of the Committee are to advise the Accounting Officer on:

- The Agency's risk management process and preparation and updating of the risk management framework;
- The adequacy of arrangements for internal control and risk management including the preparation of the Governance Statement;
- The accounting policies;
- The review of the Annual Report and Accounts of the organisation prior to submission for audit;
- Recommendations identified in the Report to those Charged with Governance;
- Planned activity of internal audit and external audit;
- The results of internal and external audit activity including ensuring appropriate action has been taken;
- Assurances relating to the corporate governance requirements for the organisation;
- Anti-fraud policies, whistle blowing processes and arrangements for special investigations; and
- The Audit Committee also periodically reviews its own effectiveness and reports the results of that review to the Management Board.

4. Risk Management and Internal Control

The management of risk is controlled by the Youth Justice Agency's Management Board and Audit Committee. It is the responsibility of the Agency's Management Board to identify and control the risks faced by the Agency in order to minimise any potential losses. The Agency employs the following structured approach to the risk management process:

- The Chief Executive and Directors are responsible for risk management within their areas. During the year the Management Board revised the format of the risk register to

reflect the changing business needs and associated risks. The Management Board reviews the Agency's risk appetite and the top risks on a quarterly basis as well as the Agency's compliance with best corporate governance. Each quarter the Audit Committee reviews the risks listed in the Agency's Top Risks Register together with the likelihood; impact; controls in place to mitigate the risks; and further action required. It also identifies emerging risks and the impact they may have on the Agency.

- The Chief Executive receives Dear Accounting Officer (DAO) letters and Public Accounts Committee (PAC) Reports from DoJ/DFP which provide specific advice on issues of accountability, regularity and propriety and annual accounting exercises. These reports are reviewed, shared with staff and acted upon as necessary.
- The Management Board promotes an anti-fraud culture, supported by Assistant Directors and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams. The Anti- Fraud Policy and Fraud Response Plan for the Agency has been issued to all managers and is accessible by staff through the Agency's intranet. The Agency also has a dedicated Fraud Officer who investigates any emerging fraud cases and advises the Chief Executive of outcomes.
- A Risk Management Policy for the Agency has been produced and ensures that the management of risk is embedded in policy making, planning and delivery of the Agency's aims and objectives. It includes a plan setting out the Agency's co-ordinated approach to risk management, what it involves and how it should be conducted.
- The 'DoJ Risk Management – A Practical Guide' has been used to provide clear approaches to risk management in the Agency. The Risk Management Policy of the Agency puts risk management at the forefront of improving its corporate governance. In this regard, corporate governance is managed and monitored at the Management Board and Audit Committee.
- Each key performance target and development objective within the 2014-15 Business Plan has been risk assessed. Each quarter the Management Board reviews progress against each target and objective and reassesses the risk of non-achievement. The quarterly performance report subsequently issued to our Sponsor Directorate and Minister also contains the risk assessment against targets and objectives.
- The Agency has a process of delegation embedded within the Agency to ensure expenditure is being approved at the appropriate level.

- Stewardship Statements are completed at Directorate level at half and full year intervals. The purpose of these Stewardship Statements is to improve management and control by identifying management's specific responsibilities and seeking written assurances that these have been exercised with due care and attention.

As the Agency's Accounting Officer, I am required to provide assurance to the DoJ's Accounting Officer on the standard of internal control within the Agency. In this regard, a Sponsored Body Stewardship Statement is returned to DoJ at half year and full year intervals.

Both the internal Stewardship Statements and the DoJ Stewardship Statements inform the content of this Governance Statement.

Another key element of the Agency's risk and control framework is a professionally led Departmental Internal Audit function that works to Government Internal Audit Standards. It reviews the overall arrangements for managing risk, provides assurance, and reports any matters of concern to the Audit Committee. Assurance is also obtained from the external auditors who present their report to the Audit Committee following the statutory audit of the Agency's Annual Report & Accounts.

There are a number of other sources from which I draw assurance on the system of internal control. These include the work of the following independent bodies:

- Criminal Justice Inspection Northern Ireland (CJINI);
- NI Children's Commissioner (NICCY);
- NI Human Rights Commission (NIHRC);
- Department of Health Social Services & Public Safety (DHSSPS);
- Independent Complaints Reviewer (ICR);
- Start 360 (Independent Representation Scheme); and
- Health & Safety Executive NI (HSENI).

There were no significant control weaknesses identified from reviews carried out by these independent bodies in 2014-15.

Information Assurance

The Agency has fully embraced the DoJ's Information Assurance policy and procedures and is represented at the DoJ Information Risk Owners Council (IROC) which comprises senior business owners across the departmental family and holds them to account for the ownership and management of information assurance risks within their respective business areas.

In line with IROC requirements, the Agency has appointed a Security Manager to oversee delivery of the Information Assurance policy and procedures and to implement the Security Policy Framework.

All Agency IT systems are fully accredited by the DoJ Accreditation Authority Panel.

5. Review of Effectiveness of the Governance Framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of the governance framework. I have been advised throughout the year on the effectiveness of the system of internal control by the Board and Audit Committee and from reports by executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework.

As part of the review of effectiveness of the governance framework, each Director provides a bi-annual and an annual Stewardship Statements in relation to their specific responsibilities for supporting the effectiveness of the internal control and governance environment.

Regular meetings took place throughout the year between the Agency and its Sponsor Directorate with the Chief Executive meeting monthly with the Director to discuss progress against key priorities. At these review meetings I reported on the Agency's performance against the annual business plan and objectives. In addition updates were provided on the Agency's performance in respect of the financial position; progress in relation to the annual audit plan; a summary of the Agency's Top Risks Register and sick absence.

I have ensured the effective management of financial resources by following financial management practices and guidance issued by DoJ/DFP. Budget holders also received monthly management accounts and updated financial forecasts throughout the year.

My review of the effectiveness of the system of internal control has been informed by the reports produced by the DoJ's Internal Audit Division.

During 2014-15, the following audits were completed by Internal Audit:

- **ICT** – satisfactory assurance – action plan drafted, one recommendation to be implemented.
- **Payments and Receipts** - satisfactory assurance (limited assurance was given to the Petty Cash aspect of this audit) – no priority 1 recommendations, action plan drafted for implementation of the report recommendations early 2015-16.
- **Procurement/Contract Management** (Direct Award Contracts) – substantial assurance – no recommendations.

- **Gifts and Hospitality** – satisfactory assurance - no priority 1 recommendations, action plan drafted for implementation of the report recommendations early 2015-16.
- **Financial Accounts** – substantial assurance – no recommendations.
- **Third Party Funding** – satisfactory assurance - no priority 1 recommendations, action plan drafted for implementation of the report recommendations early 2015-16.
- **Anti- Fraud Policy and Response Plan** – satisfactory assurance - no priority 1 recommendations, action plan drafted for implementation of the report recommendations early 2015-16.
- **Travel and Subsistence** – draft report received, satisfactory assurance rating, no priority 1 recommendations, final report due early May.

Internal audit reports completed in 2014-15 obtained 'Substantial'⁽¹⁾ 'Satisfactory'⁽²⁾ and 'Limited'⁽³⁾ assurance ratings.

The recommendations made in the Internal Audit Reports carried out in 2013-14 have all been fully implemented and signed off by the Audit Committee. All recommendations from audits are drawn up into Action Plans and progress is reported to the Audit Committee.

Looking ahead the following internal audit reviews will be carried out in 2015-16:

- Attendance Management.
- Management Accounts.
- Information Assurance.
- Complaints.
- Gifts and Hospitality.
- Procurement and Contract Management.
- Payments and Receipts; and
- Travel and Subsistence.

In addition to these assurances, the Audit Committee receives from the external auditors, a '*Report to Those Charged with Governance*' which includes observations and recommendations on internal controls arising from the annual audit of the Annual Report and Accounts.

(1) **Substantial** – There is a robust system of governance, risk management and control which should ensure that objectives are fully achieved.

(2) **Satisfactory** – Overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the achievement of objectives.

(3) **Limited** – There is an inadequate and/or ineffective system of governance, risk management and control in place. Therefore there is significant risk that the system will fail to meet its objectives.

The outcomes of the following reviews have in particular provided me with further assurance of the effectiveness of the governance framework:

- The Agency's complaints process, which is open and transparent and which encourages anyone who feels they have been treated unfairly or inappropriately by the Agency to speak out so that concerns can be addressed, has an independent aspect which is delivered through an Independent Complaints Reviewer (ICR). Although based in London, the ICR has open access to the Agency through regular visits and produces an annual overview report which is published as part of the Agency's Annual Report and Accounts. The review carried out in 2014-15 was very positive, one particular comment made was "Overall, I am satisfied that the Agency has dealt with complaints well during the year. However, I am pleased to note that, following recommendations made in earlier ICR reports, it has carried out a thorough review of its procedures. These have been updated and new information and leaflets have been prepared and designed and will be introduced as soon as possible."
- During the year the Criminal Justice Inspectorate NI published a report on its inspection of the effectiveness of Youth Conferencing. This was a very positive report which noted that youth conferencing is operating efficiently and effectively and in a timely manner. The report acknowledged that significant improvements in effectiveness, proportionality and a reduction in delay have been made since the previous inspections reported on in 2008 and 2010. The Criminal Justice Inspectorate NI also published its report in May 2015 on their announced inspection of Woodlands JJC. The report highlighted that children continue to receive high levels of care and support. The report also included a number of recommendations which are already being progressed.
- The Department of Health, Social Services and Public Safety (DHSSPS) Social Services Inspector made monthly monitoring visits to Woodlands Juvenile Justice Centre to ensure that young people are being appropriately treated and managed in accordance with the aims of the Centre and presents regular monitoring reports. These reports are reviewed each month by the Agency's Management Board. The reports have been encouraging and have demonstrated that young people are being appropriately treated and managed.

6. Significant Internal Control Issues

Effective governance arrangements and senior oversight are maintained to ensure appropriate and timely responses to such issues that arise.

In the 2012-13 Governance Statement the Agency reported a Breach of Information Security which occurred in June 2013. An investigation was carried out and controls have

been put in place to improve the process. DoJ Security Branch is satisfied that the breach was a result of human error and is content with the actions undertaken by the Agency. The incident was also referred to the Information Commissioner's Office, although the Agency has not yet received a reply.

The Agency is currently co-operating with the Historical Institutional Abuse Inquiry (which has commenced public hearing) and the PSNI in the provision of records.

NILGOSC pension scheme

At the devolution of Policing and Justice powers to the Northern Ireland Assembly in April 2010, DFP Corporate HR decided that future recruitment to any Youth Justice Agency post should be on NICS Terms and Conditions of Service, which included membership of the Principal Civil Service Pension Scheme, (PCSPS [NI]).

Since then the Youth Justice Agency has continued to operate the NILGOSC pension scheme, albeit on a 'closed' basis, (i.e. no new membership).

In view of this, a policy decision was taken by the Department that it would be more appropriate for all current Agency staff in NILGOSC to become members of PCSPS (NI), this transfer became effective from 1 April 2015.

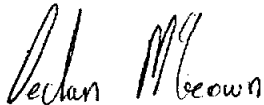
Subsequent work has commenced with the respective pension actuary's to identify and agree a process to address the current pension deficit and to provide staff with the relevant information in relation to the transfer of pension contributions.

A review of staff terms and conditions is currently being undertaken by Departmental HR and the Agency to ascertain a way forward which may take until late 2015-16 to reach a conclusion.

The audit opinion on regularity has been qualified by the Comptroller and Auditor General (C&AG) on the grounds of a limitation of scope in respect of payments of contributions of £3.2m to the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. The audit opinion was also qualified in the previous year in respect of this matter. The circumstances giving rise to the qualification are set out in the C&AG's report on page 57 which outlines that there is a lack of clarity as to whether or not employees should have been members of NILGOSC. Whilst I am satisfied that these matters are not the result of any apparent weakness in the Agency's internal control systems, I will undertake a review of this matter in conjunction with the DoJ.

7. Accounting Officer Statement on Assurance

The Agency 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 Division operating to Government Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering the Agency's systems over time. The Head of Internal Audit provides me with 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 and he has provided overall satisfactory assurance.



DECLAN MCGEOWN

Chief Executive

17 June 2015

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

I certify that I have audited the financial statements of the Youth Justice Agency of Northern Ireland (YJANI) for the year ended 31 March 2015 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as 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 YJANI's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by YJANI; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported 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

The total expenditure on pension contributions to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Scheme is £3.2 million in 2014-15. An issue arose in the prior year in relation to the eligibility of the admittance and membership of the Youth Justice Agency of Northern Ireland and its employees to the NILGOSC scheme. There has been no further clarification of the legal position on eligibility in the current year and therefore the uncertainty remains. Without resolution of the legal position on eligibility to the scheme, we have been unable to obtain sufficient appropriate audit evidence that the 2014-15 pension contributions expended have been applied to the purposes intended by the Northern Ireland Assembly and as a result we are unable to determine if the transactions are regular in nature.

Opinion on Regularity

Except for the possible effects of the matter outlined above, in all other material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Northern Ireland 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 Youth Justice Agency of Northern Ireland's affairs as at 31 March 2015 and of the net operating cost, cash flows and changes in taxpayers' equity 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 and Personnel directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Chief Executive's Foreword and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In respect only of the limitation on my work relating to the regularity of pension contributions expended, described above, I have not obtained all the information and explanations that I considered necessary for the purpose of my audit.

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 part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have qualified my opinion on regularity. This is in respect of a lack of clarity on whether or not, legally, the Youth Justice Agency of Northern Ireland should have been admitted to membership of the Northern Ireland Local Government Officers' Superannuation Committee Pension Scheme. My opinion, last year, was also qualified in respect of this matter. The Youth Justice Agency of Northern Ireland continued to pay contributions of £3.2m to NILGOSC in the year, the regularity of which is uncertain. I am pleased to report that since 1 April 2015 all Youth Justice Agency of Northern Ireland employees are now members of the Principal Civil Service Pension Scheme Northern Ireland with contributions now being made to that scheme.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
25 June 2015

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Programme costs			
Staff costs	2	15,307	13,845
Programme costs	3	3,740	4,722
Income	4	(147)	(59)
Net Operating Cost		18,900	18,508
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Actuarial loss/(gain) on NILGOSC pension scheme	11.5	893	(4,241)
Net (gain)/loss on revaluation of property, plant & equipment	6	(104)	(8)
Net (gain)/loss on revaluation of intangible assets	7	(1)	(1)
Total Comprehensive Net Expenditure for the year ended 31 March 2015		19,688	14,258

All income and expenditure is derived from continuing operations.

The notes on pages 64 to 95 form part of these accounts.

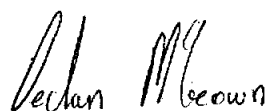
Statement of Financial Position

as at 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Non-current assets:			
Property, plant and equipment	6	16,828	15,968
Intangible assets	7	33	55
Total non-current assets		16,861	16,023
Current assets:			
Trade and other receivables	8	194	179
Cash and cash equivalents	9	7	33
Total current assets		201	212
Total assets		17,062	16,235
Current liabilities:			
Cash and cash equivalents	9	(165)	(39)
Trade and other payables	10	(1,546)	(1,479)
Provisions	12	(160)	(195)
Total current liabilities		(1,871)	(1,713)
Non-current assets less net current liabilities		15,191	14,522
Non-current liabilities:			
Provision for pension liabilities	11.1	(5,931)	(6,283)
Other provisions	12	(2,284)	(333)
Total non-current liabilities		(8,215)	(6,616)
Total assets less liabilities		6,976	7,906
Taxpayers' equity:			
General fund	SoCiTE	6,853	7,878
Revaluation reserve	SoCiTE	123	28
Total taxpayers' equity		6,976	7,906

SoCiTE = Statement of Changes in Taxpayer's Equity

The notes on pages 64 to 95 form part of these accounts.



Declan McGeown

Chief Executive

17 June 2015

Statement of Cash Flows

for the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Cash flows from operating activities			
Net operating cost		(18,900)	(18,508)
Adjustment for non-cash transactions	3	3,447	2,074
(Increase)/Decrease in trade and other receivables	8	(15)	53
Increase in trade and other payables	10	67	47
less movement in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	10	45	47
Use of provisions	11,12	(2,799)	(1,420)
Net cash outflow from operating activities		(18,155)	(17,707)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(144)	(191)
Purchase of intangible assets	7	(14)	(29)
Proceeds of disposal of property, plant and equipment		9	8
Net cash outflow from investing activities		(149)	(212)
Cash flows from financing activities			
Net Assembly Funding - drawn down		18,152	18,033
Net financing		18,152	18,033
Net (decrease)/increase in cash and cash equivalents in the period		(152)	114
Cash and cash equivalents at the beginning of the period	9	(6)	(120)
Cash and cash equivalents at the end of the period	9	(158)	(6)

The notes on pages 64 to 95 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2013		3,367	32	3,399
Net Assembly Funding - drawn down		18,033	-	18,033
Comprehensive expenditure for the year		(18,508)	-	(18,508)
Non-Cash Adjustments				
Accrual gain on pension deficit	11.5	4,241	-	4,241
Net gain on revaluation of property, plant & equipment	6	-	9	9
Notional charges	3	732	-	732
Transfer between reserves		13	(13)	-
Balance at 31 March 2014		7,878	28	7,906
Net Assembly Funding - drawn down		18,152	-	18,152
Comprehensive expenditure for the year		(18,900)	-	(18,900)
Non-Cash Adjustments				
Actuarial loss on pension deficit	11.5	(893)	-	(893)
Net gain on revaluation of property, plant & equipment	6	-	105	105
Notional charges	3	606	-	606
Transfer between reserves		10	(10)	-
Balance at 31 March 2015		6,853	123	6,976

The notes on pages 64 to 95 form part of these accounts.

Notes to the Financial Statements

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FRm) issued by the Department of Finance and Personnel (DFP), and directions given by the DFP, under section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001. DFP requires the Youth Justice Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

Where the FRm permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Youth Justice Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£'000).

1.2 Going Concern

The Agency's current liabilities usually exceed its current assets at end of each reporting period. Despite this there is no going concern risk as it merely reflects the practice of drawing down funding from the Parent Department to meet liabilities when payments are due.

1.3 Property, Plant and Equipment and Intangible Assets

Expenditure on property, plant and equipment of over £1,000 is capitalised, with the exception of computer hardware and intangible IT assets (purchased computer software licenses are capitalised as intangible assets) for which lower thresholds apply. Expenditure on improvements or enhancements to leasehold properties is not capitalised but expensed in the period it is incurred.

Land and buildings are subject to professional valuation at least once every five years and are re-valued using indices in the intervening years. Properties regarded by the Agency as operational are valued on the basis of existing use, or where this cannot be assessed because there is no market for the property, its depreciated replacement cost. Properties regarded by the Agency as non-operational are valued on the basis of open market value, and where a sale is probable, disclosed as Assets Held for Sale (see Note 1.5).

Other property, plant and equipment assets are re-valued annually using appropriate indices compiled by the Office for National Statistics with the exception of intangible assets which are held at cost. Indexation of property, plant and equipment is credited to the revaluation reserve except for the permanent diminution of IT assets which is recognised in the Statement of Net Comprehensive Expenditure. Any subsequent revaluation of IT assets is credited to the Statement of Net Comprehensive Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Statement of Net Comprehensive Expenditure.

1.4 Depreciation

Provision for depreciation is made to write-off the cost of property, plant and equipment on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction, and assets held for sale are not depreciated.

The estimated useful lives of property, plant and equipment are reviewed regularly, and are as follows:-

Asset Category	Useful Life
Buildings	Up to 50 years
Plant & Equipment	4 – 15 years
Fixtures & Fittings	4 – 10 years
Motor Vehicles	5 – 8 years
IT	3 – 10 years
Intangible Assets*	5 years

*Computer Software/licences are depreciated in line with the licence term.

In line with the requirements of IAS 16 the Agency has considered the impact of breaking property, plant and equipment assets down into identifiable components with different useful lives and accounting for them separately. The result of our analysis concludes that the application of componentisation principles to property, plant and equipment assets of the Agency would not have a material effect on the carrying values of these assets as reported and therefore no adjustment has been made to cumulative depreciation or the net book values of these assets in the financial accounts for the year ended 31 March 2015.

1.5 Assets Held for Sale

The Agency classifies an asset as held for sale where its value is expected to be recognised principally through a sale transaction rather than through its continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly

probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are valued on the basis of open market value less any material directly attributable selling costs.

1.6 Realised Element of Depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the re-valued 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 recognised gain on revaluation and is transferred from the Revaluation Reserve to the General Fund.

1.7 Classification of Income and Expenditure

The Statement of Comprehensive Net Expenditure for the Agency only includes programme income and expenditure.

Programme expenditure reflects non-administration costs, including payments of grants and other disbursements. The classification of income or expenditure as programme follows the definition set by the Department of Finance and Personnel (DFP).

1.8 Income

The Agency accounts for income in the year in which it is earned or becomes receivable, with the exception of funding for programmes for which the Agency merely acts as an intermediary. In such cases, income is not recognised by the Agency until it is paid to the intended recipient. The excess of receipts over expenditure is treated as a creditor owed to the funding provider.

1.9 Segmental Reporting

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

1.10 Provisions for Liabilities and Charges

The Agency provides for legal or constructive obligations which are of uncertain timing and/or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation, where this can be determined. This relates to early retirement costs, potential legal action for compensation and the Agency's share of the net liabilities of the NILGOSC pension scheme.

1.11 Employee Benefits and Pensions Costs

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

The Agency has recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. This cost has been estimated using average salary costs of each grade of staff applied to the average untaken leave balance of a sample of staff. It is not anticipated that the level of untaken leave will vary significantly from year to year. Such costs are included in current liabilities.

Employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI) (PCSPS (NI)) for Northern Ireland Civil Service staff, the Teacher's Superannuation Scheme (TSS) for teaching staff, and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme for all other staff. Each scheme is described in Note 2.1. The PCSPS (NI) and TSS are defined benefit schemes which are unfunded and the PCSPS (NI) is non-contributory except in respect of dependants' benefits.

The Agency 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 (NI) and TSS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI) and the TSS.

The pension costs of the NILGOSC scheme are assessed in accordance with the advice of independent qualified actuaries. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the defined benefit pension scheme arising from employee service in the period is charged to the Statement of Net Comprehensive Expenditure. The expected return on the Scheme's assets and the increase during the year in the present value of the Scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Changes in Taxpayers' Equity.

1.12 Early Retirement Costs

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age and in some cases for the lifetime of the retired staff member and his / her spouse. For all new early retirement cases, the Agency provides in full for the cost of meeting pensions up to

normal retirement age. The total cost is recognised in the year the decision is taken.

1.13 Leases

Leases are classified as operating lease contracts whenever the terms of the lease do not transfer substantially all the risks and benefits of ownership to the lessee. Rentals paid under operating leases are charged to operating costs as incurred.

1.14 Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year are recorded as expenditure for that period.

1.15 VAT

Where output tax is charged or input tax 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 fixed assets. VAT is recoverable on a Departmental basis.

1.16 Insurance

Only insurance costs in respect of motor vehicles, and premises, where premises insurance is a requirement of the lease agreement, are charged to the Statement of Net Comprehensive Expenditure. The Agency does not insure itself against the risks of fire, explosion, common law, third party and similar risks. Expenditure incurred in respect of uninsured risks is recognised as it is incurred.

1.16 Notional Costs

Notional charges, in respect of services received from other Government departments and agencies, are included to reflect the full economic cost of services.

1.18 Contingent Liabilities

In accordance with IAS 37 the Agency discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the Agency's control, unless their likelihood is considered to be remote. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the NI Assembly.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Agency discloses for 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 via the Department to the NI Assembly in accordance with the requirements of Managing Public Money Northern Ireland (MPMNI).

1.19 Third Party Assets

Third party assets are assets for which the Agency acts as custodian or trustee but in which neither the Agency nor government more generally has a direct beneficial interest.

Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Agency's third party assets are provided in Note 20.

1.20 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.20.1 Recognition and Derecognition of Financial Assets and Financial Liabilities

Financial assets and liabilities are recognised when the Agency becomes party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when the Agency no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. A previously recognised financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

The Agency has financial instruments in the form of trade receivables, trade payables and cash and cash equivalents.

1.20.2 Financial Assets

Trade and Other Receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount less provision for impairment, less provisions for doubtful receivables. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

Cash and Cash Equivalents

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

Impairment of Financial Assets

The Agency assesses at each statement of financial position date whether a financial asset or group of financial assets are impaired. Where there is objective evidence that an impairment

loss has arisen on assets carried at amortised cost, the carrying amount is reduced with the loss being recognised in the Statement of Net Comprehensive Expenditure.

1.20.3 Financial Liabilities

Trade and Other Payables

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

1.21 Related Party Transactions

The Agency is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Agency or be controlled or influenced by the Agency. Disclosure of these transactions allows readers to assess the extent to which the Agency might have been constrained in its ability to operate independently, or might have limited another party's ability to bargain freely with the Agency.

1.22 Critical Accounting Estimates and Key Judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Agency's accounting policies. The Agency continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are highlighted 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 of the recoverable amount of that asset is undertaken.

(iii) Pensions and other post retirement benefits

The Agency accounts for pensions and other post retirement benefits in accordance with

IAS 19 Revised. In determining the pension cost and the defined benefit obligation of the Pension Scheme a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the Scheme's investments and mortality rates. Further details are contained in Note 11.

(iv) Provisions for compensation claims and legal costs

The decision to provide for, and the amounts provided for, compensation claims and associated legal costs is based on advice provided by the Crown Solicitors Office (CSO) or the Departmental Solicitors Office (DSO). This advice is based on the CSO's or the DSO's best estimate of the outcome of each case (the likely compensation and legal costs payable) from an assessment of the latest information.

(v) Employee benefits

The methodology used to calculate the employee benefit accrual for unpaid annual, flexi and toil leave involved sampling staff at each grade and applying the sample results to the total population of the Agency's workforce.

Accounting standards, interpretations and amendments to published standards and FReM - issued and effective in 2014-15 for the first time

Standard	Comments
IFRS 10 - <i>Consolidated Financial Statements</i>	The International Accounting Standards Board (IASB) have issued new and amended Standards that affect the consolidation and reporting of subsidiaries, associates, joint ventures and investment entities.
IFRS 11 - <i>Joint Arrangements</i>	These standards are effective with EU adoption for accounting periods beginning on or after 1 January 2014.
IFRS 12 - <i>Disclosure of Interests in Other Entities</i>	Accounting boundaries for IFRS purposes are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by Treasury. A review of the Northern Ireland (NI) financial process, which will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12.
IAS 27 - <i>Separate Financial Statements</i>	Arm's Length Bodies (ALBs) apply IFRS in full and their consolidation boundary may change as a result of the new Standards.
IAS 28 - <i>Investments in Associates and Joint Ventures</i>	With the continuation of current adaptations, the impact on the Agency mainly relates to the disclosure requirements under IFRS 12.

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 Agency's accounting periods beginning on or after 1 April 2015 or later periods, but which the Agency has not adopted early. Other than as outlined in the below, the Agency considers that these standards are not relevant to its operations.

Standard	IFRS 13 - <i>Fair Value Measurement</i> (new)
Description of revision	<p>IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise).</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements. The standard requires fair value be measured using the most reliable data and inputs available to determine the exit price for an asset / liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on - based on a hierarchy for input quality. Entities are required to use the most appropriate inputs available to them in determining fair value. The inference is that the higher the quality, the more appropriate the input.</p> <p>IFRS 13 requires additional disclosures where Level 3 inputs are used to assess fair value, to give readers an understanding of the sensitivity of the valuation to changes in those inputs.</p>
Effective date	1 January 2013 (EU adopted) - <i>FReM</i> 2015-16.
Comments	Although IFRS 13 is applied without adaptation, IAS 16 and IAS 38 have been adapted and interpreted for the public sector context to limit the circumstances in which a valuation is prepared under IFRS 13.
Standard	IAS 36 - <i>Impairment of assets - recoverable amount disclosures</i> (amendment)
Description of revision	This amendment, which seeks to address the implications of references to IFRS 13, modifies some of the disclosure requirements regarding measurement of the recoverable amount of impaired assets. It clarifies the scope of certain disclosures and removes burdensome and unintended disclosures requirements without reducing the relevance and understand-ability of the financial information.
Effective date	1 January 2014 (EU adopted) – with a view to include in the final version of the 2015-16 <i>FReM</i> .
Comments	To be considered by HM Treasury with the expectation that it will be applied when IFRS 13 is introduced in the <i>FReM</i> . Any adaptations or interpretations will follow due process and be included in the final version of 2015-16 <i>FReM</i> .

Financial Reporting - Future Developments

In addition to the changes identified above, there are a number of future developments that will impact the Agency including:

Standard (amendment/new)	Effective date and <i>FReM</i> application	Description of revision	Comments
IFRS 15 - <i>Revenue from Contracts with Customers</i> (IAS 18 replacement - <i>Revenue Recognition and Liabilities Recognition</i>)	1 January 2017 (not yet EU adopted) but could be 1 January 2018. With a view to include in the 2017-18 <i>FReM</i> .	The disclosure objective of the new Standard is to establish the application principles required for entities to report useful information to the users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The core principle recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Standard sets out five steps to recognise revenue and also includes requirements for accounting for contract costs.	The introduction of IFRS 15 is subject to analysis and review by HM Treasury and other Relevant Authorities. A work plan recently began to assess the impact on the public sector.
IFRS 9 - <i>Financial Instruments</i> (new)	1 January 2018 (not yet EU adopted). With a view to include in the 2018-19 <i>FReM</i> .	The objective of the new standard is to provide users with more useful information about an entity's expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date of financial instruments.	The introduction of IFRS 9 is subject to analysis and review by HM Treasury and other relevant Authorities. A work plan has recently started to assess the impact on the public sector.
IAS 17 <i>Leases</i> (replacement)	The IASB plans to issue the new Standard before the end of 2015. <i>FReM</i> inclusion will be subject to consultation.	The current proposals include the elimination of the current operating lease categorisation for virtually all leases. Instead, assets and liabilities will be recognised on a 'right of use' basis. Two possible exemptions	HM Treasury has continued to analyse this process including the project update and consideration of practical implications. HM Treasury and

		<p>are anticipated, one being for short leases (less than 1 year) and the second being for small value assets.</p> <p>The latest update emphasises that service contracts are not required to be capitalised on the balance sheet and that the new Standard will include accompanying guidance to help entities assess whether a contract is (or contains) a lease.</p>	<p>Relevant Authorities will review the implications and follow due process once there is a final Standard.</p>
<p>IAS 1 - <i>Disclosure Initiative</i> (amendment)</p>	<p>1 January 2016 (not yet EU adopted) With a view to include in the 2016-17 <i>FReM</i>.</p>	<p>These amendments encourage professional judgement to be used in determining what information to disclose in financial statements, and where and in what order information is presented in the financial disclosures. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.</p>	<p>HM Treasury and other Relevant Authorities will review the implications of this amendment and follow due process nearer to the EU adoption date. Any substantive changes to the <i>FReM</i> will follow normal due process.</p>
<p>IAS 16 and IAS 38 - <i>Clarification of acceptable methods of depreciation and amortisation</i> (amendment)</p>	<p>1 January 2016 (not yet EU adopted) With a view to include in the 2016-17 <i>FReM</i>.</p>	<p>This amendment prohibits revenue-based depreciation methods and generally presumes that such methods are an inappropriate basis for amortising intangible assets. This is because a revenue-based method reflects a pattern of economic benefits being generated from the asset, rather than the expected pattern of consumption of the future economic benefits embodied in the asset.</p>	<p>HM Treasury and other Relevant Authorities will review the implications of these changes and follow due process nearer to the EU adoption date. Any substantive changes to the <i>FReM</i> will follow normal due process.</p>

The Agency has considered the remaining additional or revised accounting standards and new (or amendments to) interpretations contained within *FReM* 2015-16. The Agency considers that these changes are not relevant to its operations.

2. Staff Numbers and Related Pay Costs

Staff Costs

Staff costs comprise:

	2014-15			2013-14
	Permanently Employed Staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	10,369	334	10,703	10,976
Social security costs	889	-	889	906
Other pension costs	564	-	564	499
Employer service cost – present	1,182	-	1,182	1,464
Pension transfer costs - NILGOSC	1,969	-	1,969	-
Sub Total	14,973	334	15,307	13,845
Less recoveries in respect of outward secondments	-	-	-	(16)
Total net costs	14,973	334	15,307	13,829

2.1 Pension Arrangements

Civil Service Pensions (*The Principal Civil Service Pension Scheme (NI)*)

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Youth Justice Agency 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 DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £413k were payable to the NICS pension arrangements (2013-14 £448k) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. 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 a new career average earning scheme from April 2015.

From 2015-16, the new rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 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' contributions of £Nil (2013-14 £Nil) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2013-14, 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. Employers also contribute a further 0.8% of pensionable pay, to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1998, and subsequent amendments apply to the Scheme. The Scheme is presently notionally funded.

The rate of the employer's contribution is determined from time to time by the Government Actuary and advised by the Department of Finance and Personnel. For 2014-15, the contribution rates were 13.6% for employers, and 6.4% for employees (2013-14, 13.6% and 6.4% respectively). The total employer pension cost during the year was £48k (2013-14, £51k).

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme

This Scheme is a defined benefits type, and the fund is invested in suitable investments, managed by the Committee. For 2014-15, the employer's contribution rate was 23.3% (2013-14, 20%) and the employee's contribution rate was in the range 5.5% to 7.5% (2013-14, in the range 5.5% to 7.5%).

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the market led approach. The latest formal actuarial valuation of the Fund was carried out as at 31 March 2015.

The assets of the Scheme are held separately from the Agency. Pension Scheme assets are measured at market value. Pension Scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Agency's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure.

The expected return on the Scheme's assets and the increase during the year in the present value of the Scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Changes in Taxpayers' Equity.

The current service cost charged to the Statement of Comprehensive Net Expenditure in 2014-15 was £1,182k (2013-14, £1,464k). There were no past service costs charged to the Statement of Comprehensive Net Expenditure in 2014-15 (2013-14, £nil). The total employer contributions paid under the Scheme was £2,725k (2013-14, £1,325k).

One individual retired early on ill health grounds during the year, the total additional accrued pension liabilities amounted to £3k (2013-14, £2k)

2.2 Average Number of Persons Employed

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

	2014-15			2013-14 Restated		
	Permanently Employed Staff	Other	Total	Permanently Employed Staff	Other	Total
Operational staff	291	15	306	298	16	314
Administration and support staff	25	2	27	30	-	30
Total	316	17	333	328	16	344

2.3 Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	2 (2013-14,NIL)	2 (2013-14,NIL)
£50,000 - £100,000	-	-	-
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
Total number of exit packages	-	2 (2013-14,NIL)	2 (2013-14,NIL)
Total resource cost /£'000	-	90 (2013-14,NIL)	90 (2013-14,NIL)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. The compensation cost for these individuals is included in Staff Costs (Note 2). The Youth Justice Agency has been funded by the Driver Vehicle Agency NI for compensation costs, this funding is included in 'Other Income' (Note 4). Ill-health retirement costs are met by the pension scheme and are not included in the table.

3. Programme Costs

	Note	2014-15 £'000	2013-14 £'000
Accommodation costs		1,209	1,345
Client and other programme operating costs		617	896
Rental under operating leases		516	549
Contracted out services		381	372
Staff related costs		338	398
Office services		242	336
Professional costs		77	89
Other costs		32	47
Consumables, materials and equipment costs		20	35
Non capital purchases		10	32
Audit and accountancy fees		5	2
Managed services		1	6
Interest and similar charges		(4)	5
		3,444	4,112
Non-cash items			
Depreciation	6,7	480	482
Amortisation	6,7	22	11
Net revaluation released to SoCNE	6,7	(1,133)	(1,213)
Impairment of non-current assets		-	1
(Profit)/loss on disposal of non-current assets		2	(8)
Auditor's remuneration and expenses		17	15
Notional charges		440	497
Intra-departmental notional charges		149	221
Provisions: provided for in the year		522	221
Provisions: written back in year		(501)	(61)
Provisions: borrowing costs		276	422
Provisions: administration costs		22	22
		296	610
Total programme costs		3,740	4,722

Reconciliation of Non-Cash Costs to Statement of Cash Flows

	Note	2014-15 £'000	2013-14 £'000
Non-cash items (from above)	3	296	610
Employer service cost (NILGOSC) - present	2	1,182	1,464
Other pension costs (NILGOSC)	12	1,969	-
Total non-cash transactions per statement of cash flows		3,447	2,074

4. Income

Analysis of income recorded in the Statement of Comprehensive Net Expenditure:

	2014-15 £'000	2013-14 £'000
Funding for Voluntary Exit Scheme (VES)	90	-
Student placement income	33	23
Seconded costs	-	16
Contributions to programmes and initiatives	15	13
Tuck-shop income	6	4
Other rentals	3	3
Total Income	147	59

5. Impairment of Land & Buildings

	2014-15 £'000	2013-14 £'000
Impairment charge/ (credit) on property, plant & equipment - Woodlands JJC	(1,133)	(1,213)
Total impairment credit	(1,133)	(1,213)

Property, Plant & Equipment

Programme costs contain a reversal of past impairment charges for 2014-15 of £1,133k (2013-14, impairment credit of £1,213k) representing an increase in the valuation of the Juvenile Justice Centre building at 31 March 2015 measured as the difference between the net carrying value of the building in the Agency's books at 31 March 2015 and the Land and Property Services valuation of £16,112k (Note 6) at that date.

6. Property, Plant and Equipment

	Land	Buildings	IT	Plant & Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Assets Under Construction	2014-15 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation								
At 1 April 2014	200	15,108	712	1,084	100	166	97	17,467
Additions	-	102	2	-	10	-	-	114
Disposals	-	-	(82)	-	-	(42)	-	(124)
Reclassifications	-	97	-	-	-	-	(97)	-
Revaluation released to SoCNE	-	805	-	-	-	-	-	805
Revaluation	100	-	-	12	-	-	-	112
At 31 March 2015	300	16,112	632	1,096	110	124	-	18,374
Depreciation								
At 1 April 2014	-	-	625	729	86	59	-	1,499
Charged in Year	-	328	27	103	5	17	-	480
Disposals	-	-	(82)	-	-	(31)	-	(113)
Revaluation released to SoCNE	-	(328)	-	-	-	-	-	(328)
Revaluation	-	-	-	8	-	-	-	8
At 31 March 2015	-	-	570	840	91	45	-	1,546
Carrying amount at 31 March 2015	300	16,112	62	256	19	79	-	16,828
Carrying amount at 31 March 2014	200	15,108	87	355	14	107	97	15,968
Asset financing:								
Owned	300	16,112	62	256	19	79	-	16,828

As at 31 March 2015 Property, plant & equipment are held at fair value in accordance with IAS16. The Agency owns all of its assets and has no finance leases or PFI contracts. Land & Buildings are independently valued by the Department of Finance & Personnel's Land and Property Service (LPS) every five years, in accordance with the Appraisal and Valuation Standards (the Red Book 5th edition) of the Royal Institution of Chartered Surveyors. The last full valuation was carried out by LPS as at 31 March 2012. LPS valued the land and building at Juvenile Justice Centre at 31 March 2015 at depreciated replacement cost using BCIS indices. Other plant and equipment are adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

6. Property, Plant and Equipment (cont'd)

	Land	Buildings	IT	Plant & Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Assets Under Construction	2013-14 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation								
At 1 April 2013	200	14,184	715	1,059	90	198	95	16,541
Additions	-	12	22	21	9	63	2	129
Disposals	-	-	(25)	(13)	-	(95)	-	(133)
Revaluation released to SoCNE	-	912	-	-	-	-	-	912
Revaluation	-	-	-	17	1	-	-	18
At 31 March 2014	200	15,108	712	1,084	100	166	97	17,467
Depreciation								
At 1 April 2013	-	-	610	612	80	136	-	1,438
Charged in Year	-	300	40	121	5	17	-	483
Disposals	-	-	(25)	(13)	-	(94)	-	(132)
Revaluation released to SoCNE	-	(300)	-	-	-	-	-	(300)
Revaluation	-	-	-	9	1	-	-	10
At 31 March 2014	-	-	625	729	86	59	-	1,499
Carrying amount at 31 March 2014	200	15,108	87	355	14	107	97	15,968
Carrying amount at 31 March 2013	200	14,184	105	447	10	62	95	15,103
Asset financing:								
Owned	200	15,108	87	355	14	107	97	15,968

7. Intangible Assets

	Software Licences Total £'000
2014-15	
Cost	
At 1 April 2014	246
Additions	-
Disposals	-
Revaluation	1
At 31 March 2015	247
Amortisation	
At 1 April 2014	192
Charged in year	22
Disposals	-
Revaluation	-
At 31 March 2015	214
Carrying Amount at 31 March 2015	33
Carrying Amount at 31 March 2014	54
Asset financing:	
Owned	33
2013-14	
Cost	
At 1 April 2013	200
Additions	44
Disposals	-
Revaluation	2
At 31 March 2014	246
Amortisation	
At 1 April 2013	180
Charged in year	11
Disposals	-
Revaluation	1
At 31 March 2014	192
Carrying Amount at 31 March 2014	54
Carrying amount at 31 March 2013	20
Asset financing:	
Owned	54

8 Trade receivables and other current assets

	2014-15 £'000	2013-14 £'000
Amounts falling due within one year:		
Trade receivables	4	27
Other receivables	23	1
Prepayments and accrued income	60	64
Recoverable VAT	107	87
	194	179

8.1 Intra-government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014-15 £'000	2013-14 £'000	2014-15 £'000	2013-14 £'000
Balances with other central government bodies	109	107	-	-
Balances with local authorities	-	4	-	-
Balances with NHS bodies	-	-	-	-
Balances with public corporations & trading funds	-	-	-	-
Subtotal: Intra-government balances	109	111	-	-
Balances with bodies external to government	85	68	-	-
Total receivables at 31 March	194	179	-	-

9. Cash and cash equivalents

	2014-15 £'000	2013-14 £'000
Balance at 1 April	(6)	(120)
Net change in cash and cash equivalent balances	(152)	114
Balance at 31 March	(158)	(6)
The following balances at 31 March are held at:		
Commercial banks and Cash in Hand	(158)	(6)
Balance at 31 March	(158)	(6)

10. Trade payables and other current liabilities

	2014-15 £'000	2013-14 £'000
Amounts falling due within one year:		
Taxation and social security	180	196
Trade payables	16	-
Other payables	225	247
Accruals and deferred income	1,125	1,036
	1,546	1,479

10.1 Intra-government balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014-15 £'000	2013-14 £'000	2014-15 £'000	2013-14 £'000
Balances with other central government bodies	644	580	-	-
Balances with local authorities	2	2	-	-
Balances with NHS bodies	1	4	-	-
Balances with public corporations & trading funds	5	4	-	-
Subtotal: Intra-government balances	652	590	-	-
Balances with bodies external to government	894	889	-	-
Total payables at 31 March	1,546	1,479	-	-

11. Provision for Pension Liabilities (NILGOSC Scheme)

The Youth Justice Agency makes employer contributions to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Scheme which is a funded scheme of the defined benefit type. The NILGOSC Scheme is governed by the Northern Ireland Government Offices Superannuation Committee. No employee of the Youth Justice Agency sits on this committee.

Under the Local Government Pension Scheme Regulations (Northern Ireland), an actuarial valuation of the NILGOSC Scheme must be completed every three years. Following these valuations, the Committee agrees the level of Employer Contributions. As the Youth Justice Agency no longer admits new employees to the NILGOSC Scheme, an individual employer contribution is calculated for the Agency.

Risks associated with the Scheme

Asset Risk

The assets held by the Scheme are weighted towards equities, properties and gilts. The liabilities are calculated using a discount rate set by reference to corporate bond yields. As a result of this, the assets and liabilities are not correlated and therefore a reduction in assets may occur at the same time as an increase in liabilities, increasing the IAS19 deficit.

Inflation Risk

Most of the Scheme's benefits are linked to inflation. If inflation is higher/(lower) than expected, the actual liabilities will be higher/(lower) than expected.

Mortality Risk

Most of the Scheme's benefits are provided to the member until death, therefore an increase in the life expectancy will increase liabilities.

Since 2006-07 it has been possible to define the Agency's share of the Fund's assets & liabilities and as a result the following disclosures are provided in line with IAS 19. The latest actuarial valuation of the Scheme was carried out at 31 March 2010. The actuarial valuation of the scheme as at 31 March 2013 was finalised after 31 March 2014. The liability and cost calculations are based on actuarial assumptions as at 31 March 2014.

The cost valuations are based on actuarial assumptions as at 31 March 2015.

The principal actuarial assumptions used for the calculations were:

	31/3/15	31/3/14	31/3/13
Rate of increase in salaries	3.5%	3.8%	3.8%
Rate of increase in pensions in payment	2.0%	2.3%	2.4%
Discount rate	3.2%	4.4%	4.25%
Future increase in RPI	3.0%	3.3%	3.3%
Future increase in CPI	2.0%	2.3%	2.4%
Average expected future life of:			
Male staff currently aged 65	21.6	21.9	21.9
Female staff currently aged 65	24.0	24.5	24.5
Male staff currently aged 45	23.3	24.1	24.1
Female staff currently aged 45	26.0	26.6	26.6

11.1 Assets and liabilities of the Scheme

The market value of assets in the Scheme and the expected rate of return were:

	Long Term Rate of Return		Long Term Rate of Return		
	Value at 31/3/15	Expected at 31/3/14	Value at 31/3/14	Expected at 31/3/13	Value at 31/3/13
	£'000		£'000		£'000
Equities	44,286	7.8%	37,792	7.3%	43,606
Property	9,841	6.8%	8,398	6.3%	3,078
Gilts	8,201	3.2%	6,999	2.3%	4,104
Cash	3,280	0.5%	2,799	0.5%	511
Total value of assets	65,608		55,988		51,299
Defined benefit obligation	(71,539)		(62,271)		(61,240)
Defined benefit asset /(liability)	(5,931)		(6,283)		(9,941)
Restriction to defined benefit asset due to asset ceiling	-		-		-
Unfunded liabilities	-		-		-
Total defined benefit asset /(liability)	(5,931)		(6,283)		(9,941)
Related deferred tax (liability) /asset	no allowance		no allowance		no allowance
Net liability	(5,931)		(6,283)		(9,941)

All assets held by the NILGOSC Scheme are quoted

No assets are held in financial instruments, or property related to the Youth Justice Agency

11.2 Return on Scheme Assets

The overall expected return on scheme assets has been derived as the weighted average of the expected returns on the categories of assets held by the Fund at the start of the reporting period. The asset allocation used has been based on the most recent information available and the notional assets at the end of the reporting period.

	2014-15 £'000	2013-14 £'000
The actual return on scheme assets was	7,935	4,352

11.3 Analysis of Amount Charged to the Statement of Net Comprehensive Expenditure

	2014-15	2013-14
Employer service cost	1,182	1,464
Administration expenses	22	22
Past service credit	-	-
Total	1,204	1,486

11.4 Analysis of Amount Charged to other Finance Costs

	2014-15 £'000	2013-14 £'000
Interest charged/(credited) in respect of defined benefit liability/(asset)	276	422

11.5 Amounts Recognised in the Statement of Changes in Taxpayers' Equity

	2014-15	2013-14
Actuarial (losses)/gains	(893)	4,241
Total	(893)	4,241

11.6 Cumulative Actuarial (Loss) Recognised in the Statement of Changes in Taxpayers' Equity

	2014-15	2013-14
Cumulative (loss)	(1,463)	(570)

11.7 Reconciliation of the value of the Defined Benefit Obligation

	2014-15 £'000	2013-14 £'000
Opening defined benefit obligation	62,271	61,240
Employer service cost	1,182	1,464
Administration expenses	22	22
Past service cost	-	-
Member contributions	484	506
Interest cost	2,743	2,613
Actuarial (gains) / losses from change in financial assumptions	6,361	(2,080)
Actuarial (gains) / losses from change in demographic assumptions	-	-
Actuarial (gains) / losses from experience	-	-
Curtailement loss / (gain)	-	-
Settlements	-	-
Benefits paid	(1,524)	(1,494)
Closing defined benefit obligation	71,539	62,271

11.8 Reconciliation of the Value of Assets

	2014-15 £'000	2013-14 £'000
Opening value of assets	55,988	51,299
Expected return	2,467	2,191
Actuarial gain	5,468	2,161
Employer contributions	2,725	1,325
Member contributions	484	506
Benefits paid	(1,524)	(1,494)
Assets distributed on settlements	-	-
Closing value of assets	65,608	55,988

11.9 Amounts for the Current and Previous Four Periods

	FY15 £'000	FY14 £'000	FY13 £'000	FY12 £'000	FY11 £'000
Scheme liabilities	(71,539)	(62,271)	(61,240)	(52,446)	(45,327)
Scheme assets	65,608	55,988	51,299	43,759	41,799
Deficit	(5,931)	(6,283)	(9,941)	(8,687)	(3,528)
Experience adjustment on liabilities	2,547	-	(14)	1	(36)
Percentage adjustment on liabilities	4%	-	-	-	-
Experience adjustment on assets	5,468	2,161	4,951	(999)	1,271
Percentage adjustment on assets	8%	4%	10%	2%	3%

11.10 Sensitivity Analysis

The key assumptions used to calculate the IAS 19 liabilities are: discount rate, salary growth, inflation and mortality.

The sensitivity of the liabilities to these assumptions are as follows:-

Assumption	Change in assumption	Increase/(Decrease) in liabilities
Discount Rate	Increase by 0.5%	(8%)
	(Decrease) by 0.5%	9%
Salary Growth	Increase by 0.5%	2%
	(Decrease) by 0.5%	(2%)
CPI Inflation (exc. salary growth impact)	Increase by 0.5%	6%
	(Decrease) by 0.5%	(5%)
Life Expectancy	Increase by 1 year	2%

The sensitivity analysis has been calculated using an approximate switching method based on the split of the liabilities between active, deferred and pensioner members and the average duration of the various categories.

A policy decision was taken by the Department of Finance and Personnel (DFP) Corporate HR to recruit all new entrants to the Agency on Northern Ireland Civil Service terms and conditions. Subsequently it was deemed more appropriate for staff previously contributing to the NILGOSC Scheme to transfer membership to the Principal Civil Service Pension Scheme (PCSPS) (NI), this transfer took effect on 1 April 2015 and as such a provision for the transfer value was created (see Note 12 for further details). This policy decision will have financial implications for the Agency.

12. Other Provisions

Provisions for Liabilities

2014-15	NILGOSC Bulk transfer £'000	Legal Costs £'000	Early Retirement £'000	Total £'000
Balance at 1 April	-	154	374	528
Provided in the year	1,969	88	41	2,098
Provisions not required written back	-	(84)	(24)	(108)
Provisions utilised in the year	-	(36)	(38)	(74)
Balance at 31 March 2015	1,969	122	353	2,444

Analysis of Expected Timing of Cash Flows

2014-15	NILGOSC Bulk transfer £'000	Legal Costs £'000	Early Retirement £'000	Total £'000
Not later than one year	-	122	38	160
Later than one year and not later than five years	1,969	-	152	2,121
Later than five years	-	-	163	163
Balance at 31 March 2015	1,969	122	353	2,444

2013-14	Legal Costs £'000	Early Retirement £'000	Total £'000
Balance at 1 April	69	394	463
Provided in the year	180	41	221
Provisions not required written back	(41)	(21)	(62)
Provisions utilised in the year	(54)	(40)	(94)
Balance at 31 March 2014	154	374	528

	Legal Costs £'000	Early Retirement £'000	Total £'000
Analysis of Expected Timing of Cash Flows			
Not later than one year	154	41	195
Later than one year and not later than five years	-	164	164
Later than five years	-	169	169
Balance at 31 March 2014	154	374	528

The NILGOSC Bulk transfer provision is the result of the NILGOSC Scheme being closed to new members following a policy decision taken by the Department. From 1 April 2015 all members have been transferred to the PCSPS (NI) scheme and the provision of £1.969m represents the best estimate of the potential shortfall in addition to the £5.931m IAS19 liability should all members elect to transfer their past service benefits to the Civil Service Scheme. There are however inherent uncertainties in this transfer value and this is disclosed in Note 17.

The legal cost provision relates to potential compensation payments and associated legal costs of staff personal injury claims and industrial tribunal cases against the Agency.

The early retirement provision relates to inherited pension costs associated with the early departure of staff in the years prior to the creation of the Agency. The costs are payable to

NILGOSC and are payable over the lifetime of the retired staff member and his/her spouse (where applicable).

All provisions represent the best estimate of the expenditure required to settle the obligation at the date of approval of the financial statements. Where the effect of the time value of money is material, the cash flows have been discounted using the Treasury discount rate of 3.5% (2013-14, 3.5%). None of the above provisions have been discounted.

13. Capital Commitments

No capital commitments existed at 31 March 2015.

	2014-15 £'000	2013-14 £'000
Contracted capital commitments at 31 March 2015 not otherwise included in these accounts		
Completion of Life Monitoring Equipment at Woodlands JJC	-	8
Total	-	8

14. Commitments Under Leases

Operating Leases

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

Obligations under operating leases comprise:	2014-15 £'000	2013-14 £'000
Buildings		
Not later than one year	422	453
Later than one year and not later than five years	1,029	1,199
Later than five years	794	1,012
Total	2,245	2,664
Other		
Not later than one year	10	8
Later than one year and not later than five years	11	-
Later than five years	-	-
Total	21	8

15. Other Financial Commitments

The Agency has entered into non-cancellable contracts (which are not lease or PFI contracts) for reception, security duties and planned maintenance at the Juvenile Justice Centre; service fees relating to its leasehold properties; and funding payable to certain voluntary and community sector organisations for the delivery of programmes and initiatives. Total future commitments are shown in the table below analysed according to the period in which the payments fall due.

	2014-15	2013-14
	£'000	£'000
Not later than one year	530	469
Later than one year and not later than five years	530	362
Later than five years	141	184
Total	1,201	1,015

16. Financial Instruments

As the cash requirements of the Youth Justice Agency are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

17. Contingent Liabilities Disclosed Under IAS 37

Described below are the Agency's 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 Agency's control.

NILGOSC Bulk Transfer

The transfer of staff to the PCSPS (NI) on the 1 April 2015 may give rise to an increase in the estimated shortfall for the cost of the bulk transfer as there is uncertainty in respect of the number of members who are likely to transfer their past service. In addition there may be additional costs to buy into the PCSPS (NI) dependent on the specific assumptions. As these amounts are dependent on members electing to transfer their past service, it is not possible to quantify the exact liability at the balance sheet date. (See note 12).

Voluntary Exit Scheme (VES)

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015. The closing date for applications was 27 March 2015. At the

balance sheet date, there is a possible obligation on the department which may give rise to a liability should any of the department's employees apply and be successful. It is not possible, at the balance sheet date, to quantify what this potential liability may be.

Legal and compensation costs

The Agency is currently contesting a number of personal injury or industrial tribunal claims brought by staff or young people. Provision has been made in these financial statements for cases where it is considered probable that payment may be made in the future - see Note 12.

However, there are cases which have not been provided for as the Agency does not consider it likely that payment will be made e.g. because it expects that the Agency will be able to successfully defend these cases. The Agency has no such cases as at 31 March 2015 (2013-14, £3k).

18. Losses and Special Payments

No losses or special payments that require disclosure (i.e. that exceed £250k either separately or in total) were incurred during the year (2013-14, £nil).

19. Related Party Transactions

The Youth Justice Agency is an Executive Agency of the Department of Justice.

The Department of Justice is regarded as a related party. During the year, the Agency has had various material transactions with the Department, and with other entities for which the Department of Justice is regarded as the parent Department, viz:

- Police Service of Northern Ireland
- Northern Ireland Prison Service
- Forensic Science Northern Ireland
- Northern Ireland Courts and Tribunals Service
- Probation Board for Northern Ireland
- Northern Ireland Policing Board

In addition, the Agency has had various transactions with other government departments and central government bodies. Most of these transactions have been with the Department of Health & Social Services & Public Safety, the Department of Finance & Personnel and related Agencies.

Whilst none of the members of the Management Board or key management of the Agency had any material personal transactions with the Agency, the Agency had transactions with

the following organisations connected to members of the Management Board and senior management. All the transactions were conducted at arm's length.

Declan McGeown, Chief Executive (from October 2014 to date) married during this financial year. His wife held the position of (PCSP) Policing and Community Safety Partnership Manager for Craigavon Borough Council until August 2014 before Declan took up the post of Chief Executive.

Declan engaged BNL Productions to produce his wedding video in May 2014, before his appointment as Chief Executive in October 2014.

The Agency did not make any payments to PCSP's Youth Engagement Project during this financial year (2013-14, £4,000).

The Agency commissioned BNL Productions in 2013-14 to produce a DVD highlighting the services provided by the Agency. The Agency paid BNL Productions £900 in 2014-15 (2013-14, £3,900).

Paula Jack, Chief Executive (April 2014 to October 2014) is on the University of Ulster's criminology and criminal justice part-time lecture register.

Ms Jack did not deliver any lectures during the 2014-15 year. The Agency paid University of Ulster £2,650 in 2013-14 financial year for staff training which was unconnected to Ms Jack's role as a lecturer.

Grainne Keane, Assistant Director of Youth Justice Services, is married to John Keane who is employed by Glenmona Resource Centre.

During the year, the Agency paid £7,107 (2013-14, £12,458) to the Glenmona Resource Centre for the rental of one of its Youth Justice Services' premises at 471 Falls Road, Belfast.

Cathy Heaney, Head of Human Resources, is a member of the fund raising committee of the charitable organisation, The Amy Biel Foundation, along with Mr Eric Jenkinson, who owns Jenkinson Consulting.

The Agency did not engage Jenkinson Consulting during the 2014-15 year. The Agency paid £1,907 in 2013-14 to Jenkinson Consulting for consultancy and training services provided to the Agency.

David Brown, Independent Board Member (IBM), is also an IBM on the Management Board of the Probation Board for Northern Ireland (PBNI).

During the year the Agency paid £10,493 (2013-14, £7,493) to PBNI for the staff administration of the Duke of Edinburgh Award Scheme. This arrangement was in place before Mr Brown became a member of the Agency's Management Board.

20. Third-Party Assets

Youth Conference Compensation - where a youth conference plan requires a young person to compensate a victim, the money is collected by the Agency and held in a separate bank account until it is paid over to the victim. The Youth Conference Compensation Account has a balance of £2,604 as at 31 March 2015 (2013-14, £3,236).

Young Persons Cash - the young people in custody have a private cash facility for the lodgement of their pocket money and for funding tuck-shop purchases. When the young people are discharged they are paid in full the balance on their account in cash. The balance held at 31 March 2015 is £1,143 (2013-14, £1,340).

Young Person Trust Account – the Trust Account was set up with donations for the benefit of young people. The donations were invested in a Trust Account which has a balance of £3,273 at 31 March 2015 (2013-14, £3,368).

	31 March 2014 £'000	Gross In-flows £'000	Gross Out-flows £'000	31 March 2015 £'000
Monetary assets such as bank balances	8	62	(63)	7

21. Prior Year Adjustments

There have been no Prior Year adjustments.

22. Events After The Reporting Period

Since 31 March 2015, applications for the Voluntary Exit Scheme have been processed, communicated and agreed with staff. This has resulted in an obligation arising on the department, since the balance sheet date. This is a non-adjusting event and consequently, the 2014-15 accounts have not been adjusted. It is expected that payments to settle this liability will be made during the 2015-16 financial year.

23. Date Authorised for Issue

The Accounting Officer authorised these financial statements for issue on 25 June 2015.

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