

Youth Justice Agency
Annual Report and Accounts
For the year ended 31 March 2020

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by the Department of Justice*

on

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PERFORMANCE REPORT

OVERVIEW

The purpose of the Overview is to provide sufficient information to ensure that the remit and purpose of the Agency is understood. The Overview includes:

- a statement from the Chief Executive providing his perspective on the performance of the Agency over the period;
- a statement of the purpose and activities of the Agency;
- the key issues and risks that could affect the Agency in delivering its objectives; and
- a performance summary.

FOREWORD BY CHIEF EXECUTIVE

I am pleased to present the Youth Justice Agency's Annual Report and Accounts for 2019-20.

Overall, this has been another excellent year for the Agency during which we have continued to look at ways in which we can provide support for our young people which will contribute to a safer Northern Ireland.

To that end we have continued to deliver high quality services to children, parents and victims throughout the year as borne out by positive survey feedback for 2019-20 which demonstrated that 99.4% (170) of young people and 99.6% (239) of parents/carers surveyed said that they were satisfied with the services they received from the Youth Justice Agency. Furthermore, 96.4% (80) of victims surveyed and who participated in the youth conference process were satisfied with the restorative process.

During 2019-20 the Regional Facilities Programme Team has engaged widely with stakeholders to develop service design proposals for a regional Care and Justice Campus. In addition to regional workshops involving all key statutory partners, the Team has also met with staff at both Woodlands and Lakewood, parents and carers of children and young people who have experience of one or both facilities and, with the support of partners in the community and voluntary sector, has engaged with children and young people with lived experience of secure care and/or youth custody.

We are still in the early stages of this ground-breaking programme, and it will form the basis of much of our agenda over the coming years, but it is an exciting time for us all as we look to shape the future provision for vulnerable children who need safety and security whilst we support them away from harmful behaviour, including offending.

Alongside this we are also in the process of finalising a new operational model of practice drawing from evidence-based interventions in England and Wales. This new model seeks to move away from an offending/risk management paradigm to a 'Children First' model. Our new model incorporates aspects of best practice relating to Adverse Childhood Experiences (ACEs) theory, Signs of Safety, trauma informed practice,

systemic practice, resilience and desistance. It has been informed by a fully participative model whereby 50 children, along with the Agency's parents group, gave us their views as to what practice should look like going forward.

The Agency continues to work with justice colleagues and third sector partners to develop and implement Earlier Stage Intervention (ESI) in order to divert children from the formal justice system at the earliest possible stage, whilst providing targeted support where appropriate. This work has expanded throughout the year, aided by a redirection of budgets and appointment of dedicated ESI staff. The Community Resolution Referral Scheme which we deliver, in partnership with PSNI, is now being rolled out across all districts and last year also saw the publication of the first official Youth Engagement Statistical Bulletin, in partnership with our Analytical Services Group colleagues. The Department has also recognised the benefits of an ESI approach for other age groups where an individual is vulnerable or at risk of offending, and this has led to the establishment of an Early Intervention Strategy Group across the justice family on which the Agency plays a leading role.

Additionally, safeguarding responsibilities have played an important role for the Agency with our managers continuing to be involved with the Safeguarding Board for Northern Ireland at various levels, on committees and working groups associated with developing new standards for practitioners, Case Management Reviews and in reviewing and developing new safeguarding and childcare policies and strategies.

All of this would not have been possible were it not for the continued hard work and dedication of our staff who continue to adapt to changing circumstances. Like everyone, the current pandemic has created unprecedented challenges for us all and it is to the absolute credit of our staff that they have continued to put children first to ensure that the Agency meets their needs

Declan McGeown
Chief Executive and Accounting Officer

STATEMENT OF PURPOSE AND ACTIVITIES

History and statutory background

The Youth Justice Agency (the Agency or YJA) was established on 1 April 2003 as an Executive Agency within the Northern Ireland Office following the recommendations of the Criminal Justice Review. 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 DoJ.

The Agency sits within the DoJ's Reducing Offending Directorate (ROD).

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.

Statement of purpose

"Making communities safer by helping children to stop offending".

Our values

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

- 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.

Structure

The Agency provides a range of statute-based and non-statutory support services to young people who offend between the ages of 10 to 17 years, both within the community and within custody. In doing so, it works alongside key justice partners, such as the Public Prosecution Service (PPS) and Police Service of Northern Ireland (PSNI); other statutory bodies, including the Departments of Education (DE), Health (DoH) and Communities (DfC); and voluntary and community-based organisations. 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, with restorative and reparative justice at its core.

The services delivered by the Agency are subject to inspection and review by the Criminal Justice Inspection Northern Ireland (CJINI) and by DoH. 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 DE.

Youth Justice Services

Community-based services are delivered by our **Youth Justice Services (YJS)** Directorate staff, overseen by the Director of Youth Justice Services. It comprises both administrative and front-line operational staff currently based in five Area Teams strategically located across Northern Ireland. The focus of our interventions is to ensure children are exited from the youth justice system at the earliest point with appropriate support and to deliver improved outcomes for young people, families, victims and communities. Our aim is to reduce offending and reoffending, to improve a young person's life chances and to work in and with communities in order to achieve this.

Each Area Team is responsible for the delivery of a wide-range of front-line services, often jointly with or on behalf of other partner agencies. These include:

- working with young people who are on the cusp of the formal youth justice system in order to intervene at the earliest opportunity (Early Stage Intervention);
- hosting and delivering Youth Engagement Clinics;
- facilitating and delivering Youth Conferences - both Court ordered and diversionary, ensuring that, where appropriate, victims have an input as to the way forward;
- delivering a range of earlier stage and diversionary initiatives;
- supervising and supporting young people, using a Children First model, across the continuum of Early Intervention through to working with the most complex children at risk of custody or on leaving custody;
- service provision and attendance at all Youth Court sittings across Northern Ireland, including Magistrates', Crown and High Courts as required; and
- delivering programmes and interventions to young people and their parents/carers to prevent reoffending.

Custodial Services

Custodial Services staff are based in Woodlands Juvenile Justice Centre (JJC), located in Bangor. It is the only custodial facility for children in Northern Ireland. It is overseen by the Director of Custodial Services supported by a team of social workers, care workers, nurses, teachers, vocational instructors, support staff and administrative staff. JJC provides a safe, secure and stimulating environment for 10 to 17 year old boys and girls who have been remanded or sentenced to custody by the Courts in Northern Ireland. The Centre also accommodates young people under Police and Criminal Evidence (PACE) legislation. It can accommodate a maximum of 48 young people; however it is staffed and resourced to operate at an optimum level of 36 young people.

JJC has been designed as a centre of excellence within a secure environment, offering and providing a wide range of services and support, tailored to each young person's specific needs to support their reintegration to the community upon release and help prevent them reoffending.

A Case Management process integrates social care, education, healthcare and mental health interventions with tailored group-work and individual programmes to improve outcomes for young people. Families and carers are involved at all points in this process both within JJC and the wider Agency, providing a range of support services.

JJC actively works with partner organisations to support young people while in custody and on release through effective information sharing, collaborative working and involvement in decision making.

Corporate Services Business Support Team

Corporate Services Business Support Team based in the Agency's Headquarters delivers an amalgam of core administrative and executive business services on behalf of the Chief Executive, including corporate governance, Ministerial/Assembly business, communications, business performance, records management, information technology and estates management.

Other functions, such as financial management and research and statistics is provided by DoJ on a shared services basis. Personnel Services are provided by Northern Ireland Civil Service Human Resources (NICSHR).

Internal Audit services to the DoJ are provided by a Group Internal Audit and Fraud Investigation Service. Internal Audit staff are outposted from the Department of Finance (DoF) to the DoJ to deliver the internal audit service to the Core Department, its agencies and a number of ALBs.

Key risks and issues

The Agency's Risk Register has been reviewed and reformatted and now links with the Department's Corporate Risk Register. This has resulted in a uniform approach across the Department in how we present and manage risk.

Whilst the key risks and challenges for the Agency remain broadly similar to previous years, last year saw further key risks added to reflect the repurposing of Woodlands Juvenile Justice Centre and uncertainty around Brexit. The key risk surrounding uncertainty around Brexit has been recently updated and further amendments have been made to reflect the concerns and action plan related to the outbreak of Covid-19.

i. Failure to deliver required level of service due to unacceptable levels of sickness absence. Failure to manage priorities could lead to capacity and capability issues if the right people are not in the right posts at the right time enabling the Agency to deliver services on time or to the required standard in accordance with Department and Executive priorities.

Key controls to mitigate risk:

- monitoring and following advice and procedures provided by the Public Health Agency (PHA) on managing Covid-19;
- contingency plans in place to manage outbreak of widespread Covid-19 infection in JJC;
- contingency plans in place for loss of operating capacity in community offices resulting from Covid-19 infection;
- prioritise Court ordered referrals;
- unaffected teams to pick up priority work from those teams that are impacted; and
- maintaining supplies of appropriate personal protective equipment (PPE) and hygiene products.

ii. Commercial and/or civil disruption arising from Brexit.

In line with the UK Government's decision to leave the EU, there is now a transition period until the end of 2020 to allow trade talks to take place, after which the UK Government intends to leave the custom union and single market. The Agency continues to monitor developments in this area while seeking to ensure that future arrangements for safeguarding children will, as far as possible, replicate the current set of EU justice and security measures.

iii. Implementation of the Review of Residential Secure Care Report (Department of Health) recommendations 1-3, 'The Creation of a Secure Joint Campus' involving Woodlands JJC and Lakewood Secure Care Centres.

A public consultation on the service design model, options for ownership and operating model of the Campus was published on 21 October 2020.

PERFORMANCE SUMMARY AND FORWARD LOOK

Performance summary

In 2016, the NI Assembly adopted an Outcomes-Based Accountability (OBA) approach for developing the 2016-21 Programme for Government (PfG). This encourages cross-departmental collaborative working and external stakeholder engagement to successfully deliver the desired outcomes. Outcomes-based accountability challenges us to measure our success by looking at the impact our programmes have on people's lives.

The focus across the Department of Justice is on three specific indicators:

- PfG Indicator 1: Reduce crime;
- PfG Indicator 38: Increase the effectiveness of the justice system; and
- PfG Indicator 39: Reduce reoffending.

The DoJ leads on PfG Outcome 7 which is "We have a safe community where we respect the law, and each other". The Youth Justice Agency also contributes to PfG Outcome 12 which is "We give our children and young people the best start in life".

The DoJ produced its own Departmental Business Plan for 2019-20 which underpins their Mission Statement of "Working in partnership to create a fair, just and safe community where we respect the law and each other". It sets out six key priority areas as follows:

- Embed a culture of lawfulness;
- Support safe and resilient communities;
- Address harm and vulnerability;
- Challenge offending behaviours and support rehabilitation;
- Deliver an effective justice system; and
- Secure confidence in the justice system.

The Youth Justice Agency contributes directly into two of these priorities as outlined below:

DoJ Priority: Address harm and vulnerability		
Objective	Action	Progress
<p>Exiting children from the youth justice system at the earliest point, with appropriate support.</p>	<p>Work with key delivery partners to develop and rollout effective and evidence based Early Intervention Initiatives for children on the cusp of the youth justice system.</p>	<p>Early Intervention Initiatives have been a central focus of our work. This is evidenced on a wider scale by a 54% reduction in young people reaching Court across the last five years. In previous years the proportion of Court ordered v diversionary referrals to YJA was 50:50 – this is now 40:60.</p> <p>The Community Resolution Notice (CRN) scheme has been extended in the Belfast and Southern areas to take referrals for a wider variety of offences. Completion rates are high (in the region of 90%) with 93.2% of young people and 89.3% of parents stating that their experience of the CRN programme will help avoid further reoffending.</p> <p>Around 808 Youth Engagement Clinics also took place during 2019-20 with a 78.7% completion rate. 98.2% of participants stated that taking part in a Youth Engagement Clinic helped their understanding of the system and the choices available.</p>

DoJ Priority: Challenge offending behaviours and support rehabilitation		
Objective	Action	Progress
Caring for children in a safe, secure, therapeutic, child-centred environment	Work with key delivery partners on the joint Department of Justice and Health Programme Team to design the structure and operational requirements for a secure care and justice environment for children in Northern Ireland	<p>The joint DoJ/DoH Programme Team have engaged with a wide range of stakeholders to co-produce a set of service design proposals on the functionality of a new integrated Care and Justice Campus across each of the agreed work-streams and their associated advisory groups. These draft proposals were signed-off by the jointly chaired Programme Board in January.</p> <p>A public consultation on a service design model, options for ownership and an operating model of the Campus was published on 21 October 2020. Simultaneous work will continue to be carried out on all other work-streams as per Programme Plan.</p>

Within this context, the Agency has established five key themes, each with an associated strategic outcome, for delivery of its business activities:

Theme	Strategic Outcome
Earlier Stage Intervention	Children are exited from the youth justice system at the earliest point, with appropriate support
Youth Justice Agency Interventions	Improved outcomes for young people, families, victims, and communities
Custodial Interventions	Children are cared for in a safe, secure, therapeutic, child-centred environment
Resource Management	YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused
Resource Management	YJA resources are used effectively, complying with corporate and financial governance

The Agency has continued to develop and refine its internal performance management and reporting systems based upon the principles of OBA and linked to the PfG outcomes and indicators. Performance against pre-determined strategic outcomes is reported to the Agency's Management Board on a quarterly basis by way of a Business Report Card. This is set out in greater detail in the Performance Analysis section.

This analysis is underpinned by the continuous development and refinement of the Agency's data collection and analysis processes. The Agency produces an annual statistical bulletin each Autumn showing the previous full financial year's data. Early extraction of data for the 2019-20 year reveals:

- there are 54% fewer young people reaching the formal Court system compared to five years ago;
- the proportion of Early Stage Intervention referrals continues to rise, having more than quadrupled in the last four years from 3.5% (55) in 2015-16 to 16.8% (274) in 2019-20;
- the proportion of statutory referrals has reduced from 96.0% (1,501) in 2014-15 to 76.3% (1,247) in 2019-20;
- our community-based Youth Justice Service Teams undertook family work with 471 children (2018-19, 296);
- 81.8% of individual victims participated in the youth conferencing process (2018-19, 83.5%); and
- all sentenced young people leaving custody during 2019-20 had a reintegration plan in place before leaving.

Covid-19

In early 2020 a novel strain of coronavirus was detected which spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020. The pandemic caused significant economic disruption just before the financial year end. The ongoing disruption caused by the pandemic, together with corresponding 'lockdown' measures introduced by the UK Government on 23 March 2020, has created significant economic uncertainty, and this uncertainty is expected to continue throughout 2020. As a result, the completion of the Agency's Annual Report and Accounts was delayed. However the pandemic did not have an impact financially on the Agency during 2019-20.

In response to the Covid-19 situation and social distancing requirements, the Agency's operating model changed significantly with minimal face-to-face contact and a reliance upon the innovative use of digital technology to maintain core business functions. This situation is expected to continue during 2020 and, while the Agency will strive to deliver essential services in a manner which minimises risk to the safety of staff, young people, families, carers and other strategic partners, it is likely that capacity may be reduced which in turn may have an effect on our ability to achieve similar performance targets to 2019-20. It is also anticipated that the Agency will experience increased costs in 2020-21 due to measures put in place to further safeguard staff from infection, including the need for some overtime working at Woodlands Juvenile Justice Centre.

UK's withdrawal from the EU

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during a transition period ending 31 December 2020. The Agency continues to monitor developments in this area while seeking to ensure that future arrangements for safeguarding children will, as far as possible, replicate the current set of EU justice and security measures.

Forward look

The Agency is an integral part of the criminal justice system in Northern Ireland, providing critical front-line services in a demand-led and ever evolving environment. In delivering our service we are mindful of the new challenges we all face arising from the current pandemic.

Looking ahead to 2020-21 we will continue to drive forward the implementation of a wide-ranging programme flowing from the Scoping Study on Children in the Justice System, in partnership with our Departmental, criminal justice and other statutory partners. Key aims will be, where possible, keeping children out of the formal justice system by providing Earlier Stage Intervention (ESI) and support; developing community alternatives; maximising exit points and diversionary disposals; and increasing the use of restorative disposals.

The Regional Facilities Programme Team will take forward a formal consultation exercise on the service design and key principles which will underpin the operation of the regional Care and Justice Campus during 2020-21. Subject to the outcome of the consultation and further consideration by Ministers and the Executive, the Programme will aim to move to Phase 3 - implementation of the Campus. During this phase, the detail of how the Campus will operate in practice will be further developed in consultation with all relevant stakeholders.

Plans are already in train to strengthen and expand on our ESI work in partnership with criminal justice colleagues, including the piloting of Children's Diversion Forums and a "Sexting" Referral Scheme. As part of our work on the Justice Early Intervention Strategy Group, our staff will be engaged in the delivery of a number of work-streams aimed at targeting information and support to those who are vulnerable or at risk of offending to prevent them entering, or moving deeper into, the justice system.

All of this will be underpinned by the finalisation and implementation of a new operational model of practice drawing from evidence-based interventions in England and Wales. Our new model seeks to move away from an offending/risk management paradigm to a 'Children First' model which incorporates aspects of best practice relating to Adverse Childhood Experiences theory, Signs of Safety, trauma informed practice, systemic practice, resilience and desistance, and will enable us to deliver improved outcomes for children, families, victims and communities.

We will also continue to take a 'zero-based' approach to our financial planning which means that our budget will be prioritised to ensure that the finances are available to cover our key areas of work. Furthermore, we want to ensure that effective workforce planning continues to ensure that we deliver on our priorities. In doing so we will be conscious of the ongoing need for good-governance and taking responsibility for implementing recommendations for improvement from regulating bodies and oversight authorities.

The Agency is confident that these exciting initiatives, coupled with the genuine and determined commitment to work more closely together to develop and deliver a more holistic, seamless and supportive structure, will ensure that children will be provided with the most appropriate help at key stages of their lives.

PERFORMANCE ANALYSIS

The performance of the Agency against its pre-determined strategic outcomes is detailed below.

<p>Theme: Earlier Stage Intervention (ESI)</p> <p>Outcome 1: Children are exited from the youth justice system at the earliest point, with appropriate support</p>	
<p>Business Activities</p> <p>a) Contribute to the development of a strategic approach to Early Intervention across the Department and consider how this aligns with wider thinking across government departments.</p> <p>b) Continue to develop and roll-out Early Intervention Initiatives for children on the cusp of the youth justice system.</p>	<p>How well are we doing?</p> <p>a) Early Intervention (EI) and Early Intervention Initiatives continue to be a central focus of our work. This is evidenced on a wider scale by the fact there are 54% fewer young people reaching the formal Court system compared with five years ago. During 2019-20 YJS received 1,655 referrals – 709 were in relation to diversionary Youth Conferences, 259 were ESI referrals, 118 were voluntary referrals and 569 were Court ordered. In previous years the proportion of YJS Court ordered referrals to diversionary referrals was 50:50 – however in 2019-20 Court ordered referrals accounted for only 34.4% of the YJS workload.</p> <p>This reflects our continued development of a strategic approach to Early Intervention and is aligned to Outcome 1b – the development and roll out of Early Intervention Initiatives. We now have at least two staff members identified as dedicated ESI workers within each Area Team. In addition we have assigned an Area Manager to oversee EI work across all five Teams. Central to EI work and exiting young people from the formal system at the earliest opportunity is that, in doing so, we also offer appropriate support. This lowers the risk of said young people coming into the system at a later date.</p> <p>b) The Community Resolution Notice (CRN) scheme has been extended to take referrals for a wider variety of offences. In 2019-20 we delivered a total of 728 CRN interventions, up from 397 in 2018-19. The completion rate for CRNs has increased from 90.5% in the first half of the reporting year to 97% in the second half.</p> <p>The percentage of parents who stated that involvement would help their child avoid further offending increased from 86.8% in the first two quarters to 91% in the last two quarters of the reporting year.</p>

<p>Theme: Earlier Stage Intervention (ESI)</p> <p>Outcome 1: Children are exited from the youth justice system at the earliest point, with appropriate support</p>	
<p>Business Activities</p> <p>c) Ensure proportionality across the continuum of children on the cusp of the youth justice system through to children leaving custody.</p> <p>d) Deliver Youth Engagement Clinics in order to appropriately exit children from the formal system and to contribute to the reduction of delay.</p> <p>e) Initiate discussions with key stakeholders on the potential for a new informal Court hearing process, as envisaged by the Scoping Study.</p>	<p>How well are we doing?</p> <p>c) Early Intervention has ensured proportionality in delivering short, targeted interventions with low risk children. This has allowed us to concentrate resources in engaging intensively with higher risk young people, supporting them to avoid custody. We continue to engage with young people throughout their custodial experience and in supporting them on release.</p> <p>In Quarter 4, 32.8% of our higher risk young people discharged had a reduction in their risk score since referral - up from 24.6% in Quarter 3. This represents a significant number of young people whose risk has reduced following intensive engagement.</p> <p>d) 808 Youth Engagement Clinics were held in 2019-20 in relation to 1,044 children. This is in addition to the 1,655 referrals received in year. 98.2% of young people and 99.4% of parents/carers stated that taking part in a Youth Engagement Clinic helped their understanding of the system and the choices available.</p> <p>This represents a very high level of positive participant feedback. Youth Engagements Clinics have also contributed significantly to the reduction of delay in youth cases. The median time for cases to progress from detection to disposal is 46 days compared to an average of 145 days prior to the introduction of clinics.</p> <p>e) Although there has been correspondence with the Judiciary, these discussions did not take place as anticipated during Quarter 4, in part due to Covid-19 issues. This action will therefore be taken forward in the 2020-21 business plan.</p>

<p>Theme: Youth Justice Agency Interventions</p> <p>Outcome 2: Improved outcomes for young people, families, victims, and communities</p>	
<p>Business Activities</p> <p>a) Implement a Model of Practice which incorporates effective and evidence based interventions.</p> <p>b) Deliver interventions via a co-production model with an emphasis on resilience and restorative practices.</p> <p>c) Work with other relevant Departments to ensure that children’s primary entitlement to universal services is maintained.</p> <p>d) Maintain compliance with regional safeguarding policies and standards.</p> <p>e) Contribute to the design of community facing services in collaboration with the joint Department of Justice and Health Programme Team.</p>	<p>How well are we doing?</p> <p>a) A draft Model of Practice paper - “Positive and Progressive Youth Justice: Children First” has been finalised and is ready for presentation to the Board. A rolling training programme for all staff is being implemented. We are also mindful of work being undertaken to implement the Review of Regional Facilities Report, recommendation 7, which is looking at a Framework for Integrated Therapeutic Care to be adopted across all Looked After Children care settings.</p> <p>b) Resilience and restorative practices continue to be central to all our interventions. In 2019-20 we had 48% direct victim participation which has exceeded our internal target of 45%. In addition we achieved 81% victim participation. Victim satisfaction has been 100% for the last two quarters of this business year.</p> <p>c) A core part of our work is to ensure that whilst children may be on the fringes of or in the youth justice system, their link to and entitlement to universal services remains. Advocacy work is undertaken on an ongoing basis; working systemically we share information with Health, Education and relevant others in work planning and interventions.</p> <p>d) The Agency continues to be involved at a strategic level within Safeguarding Board for Northern Ireland (SBNI) and maintains its compliance with regional policies and standards. We are represented on a number of SBNI sub-groups including Child sexual exploitation and Neglect. Staff training in safeguarding was completed in year.</p> <p>e) The Director of Youth Justice Services has been co-opted onto the Regional Facilities for Children and Young People Satellite Provision Sub-Group. This will aid in the Agency being central to the design of community provision going forward. Work was progressing very positively however it has stalled for the last two months given the current Covid-19 situation.</p>

Theme: Custodial Interventions

Outcome 3: Children are cared for in a safe, secure, therapeutic, child-centred environment

Business Activities	Business Activities
<p>a) Work in partnership with the joint Department of Justice and Health Programme Team and other agencies to design the structure and operational requirements for a secure care and justice environment for children in Northern Ireland.</p> <p>b) Implement the 2019-20 actions from the YJA Healthcare Strategy for Woodlands ensuring compliance with the joint Justice and Health “Improving Health within Criminal Justice” strategy.</p> <p>c) Work with the Education Authority to develop a strategic Learning, Development and Employability Plan.</p> <p>d) Work in partnership with key stakeholders to ensure admissions and discharges to and from Woodlands are managed in a safe and appropriate manner, in the best interests of each child.</p>	<p>a) The joint DoJ/DoH Programme Team have progressed the design and analysis phase of the Programme. Service design proposals on the functionality of a new integrated Care and Justice Campus were signed-off by the jointly chaired Programme Board in January 2020. A public consultation on service design model, options for ownership and operating model of the Campus was published on 21 October 2020.</p> <p>b) Woodlands is reviewing its level of need for speech and language therapy as a result of the realignment of priorities by the South Eastern Trust. Joint work, halted due to Covid-19, will resume following/during recovery. A health and wellbeing agenda continues to be supported through joint delivery by a primary healthcare team. A large cohort of staff are now trained and accredited to deliver acupuncture. Training for nurses has focussed on drug misuse through ASCERT.</p> <p>c) The Education Authority’s three year Strategic Development Plan is now in place with a quarterly reporting format measuring progress against the plan’s targets. A curriculum review has been completed which will then shape and inform the development of a more progressive curriculum. Baseline testing and progress being measured with wellbeing plans in place and reviewed with all young people.</p> <p>d) The Implementation Team for the Review of Regional Facilities recommendations has convened a working group of key stakeholders in reviewing admission trends and issues of note - Woodlands is fully involved in this. Stakeholder involvement continues to be promoted with a multi-disciplinary approach taken throughout a child’s placement in planning for and managing their discharge from Woodlands. Reintegration plans are completed for all young people discharged from Woodlands.</p>

<p>Theme: Resource Management</p> <p>Outcome 4: YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused</p>	
<p>Business Activities</p> <p>a) Ensure effective staffing levels throughout YJA and backfill business critical posts.</p> <p>b) Develop and deliver a YJA corporate staff training and development plan.</p> <p>c) Continue to deliver effective YJA internal communications and staff engagement events and activities.</p>	<p>How well are we doing?</p> <p>a) Regular staffing reviews are undertaken to ensure we have adequate staffing levels in place based on workload and specialisms. Induction and initial mandatory training for new care staff within Woodlands has been completed, with staff now fully integrated into the careworker role. Work with NICSHR is nearing completion in relation to the appointment of night support workers - initial offer letters have been issued with potential start dates in summer 2020.</p> <p>b) A comprehensive Training Plan based upon needs arising from emerging practice and the Directorate Business Plan continues to be delivered within Youth Justice Services. Woodlands training priorities delivered in-year have supported the development of staff in line with key business areas and best practice within residential social care.</p> <p>The training plan covered a wide range of areas and were delivered in partnership with key stakeholders - such as Signs of Safety, ACEs, Self-Harm Awareness, Children’s Rights and Transgender Awareness. The training plan delivered a range of development opportunities for staff across all departments within the Centre equating to an average of 4.94 days training per staff member.</p> <p>c) Valuing People meetings with staff are held prior to each monthly Board meeting and a ‘key message’ update is issued immediately thereafter. A staff bulletin is issued regularly and Chief Executive Notices were issued throughout the year on specific topics to ensure staff are kept informed. These notifications were also posted on the staff intranet for subsequent reference. A successful full staff wellbeing event was undertaken in Spring 2019 - a further staff wellbeing day planned for April 2020 had to be cancelled due to Covid-19.</p>

<p>Theme: Resource Management</p> <p>Outcome 4: YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused</p>	
<p>Business Activities</p> <p>d) Work with FSD Analytical Services Group on a Data Development Agenda that evidences what we do, how well we do it and who is better off as a result.</p>	<p>How well are we doing?</p> <p>d) A 'YJA insight' section has been added into the annual workload statistics publication to provide further context to some of the work within the Agency. A key facts document has been developed which includes summary statistics not available within the annual workload statistics publication. Our statisticians have also held meetings with the Directorate Teams in relation to statistics to be used within the 2019-20 business report card. They have also met with external customers to review externally published statistics within the annual workload statistics publication.</p>

<p>Theme: Resource Management</p> <p>Outcome 5: YJA resources are used effectively, complying with corporate and financial governance</p>	
<p>Business Activities</p> <p>a) Operate an effective governance system in line with public sector guidance and taking account of any recommendations in reports on governance.</p> <p>b) Maintain effective and secure information and data management arrangements in compliance with GDPR and the Data Protection Act 2018.</p>	<p>How well are we doing?</p> <p>a) The Internal Audit plan for 2019-20 has been completed and the audit opinion in all reports was satisfactory. Financial out-turn (provisional) is 2% lower than budget for the full 2019-20.</p> <p>b) There were seven security incidents during 2019-20. All were minor and non-reportable to the Information Commissioner's Office (ICO).</p>

Financial Review

Net expenditure

The net expenditure of the Agency for 2019-20 is compared to the previous two financial years in the table below:

	2019-20 £000	2018-19 £000	2017-18 £000
Total operating income	(122)	(106)	(115)
Staff costs	11,356	9,860	7,509
Purchase of goods and services	4,139	4,721	4,465
Depreciation and impairment charges	595	544	515
Provision expense	506	143	179
Total operating expenditure	16,596	15,268	12,668
Net operating expenditure	16,474	15,162	12,553
Finance expense	29	5	61
Net expenditure for the year	16,503	15,167	12,614

Staff costs can be analysed further as follows:

	2019-20 £000	2018-19 £000	2017-18 £000
Wages and salaries	8,202	8,275	8,153
Social security costs	856	853	845
Pension costs	2,298	1,740	1,692
Pension provision	-	(1,008)	(3,181)
Staff costs	11,356	9,860	7,509

As detailed in Note 11.2, the pension provision reflects the cost of closing the NILGOSC pension scheme for the Agency and transferring certain accrued pension benefits to NICS arrangements. At the time of preparing the 2016-17 financial statements, the actual number of staff transferring to NICS pension arrangements had not been finalised. The pension provision was calculated on the estimated basis of 50% of staff electing to transfer accrued pension benefits to NICS. When the transfer options were finalised during 2017-18, 1% of staff elected to transfer their accrued pension benefits to NICS and this resulted in a decrease in the pension provision during 2017-18.

Final amounts payable to both NILGOSC and NICS pension schemes were agreed during 2018-19 and payments were made to settle all remaining liabilities as per Note 11. This bulk transfer process was completed in 2018-19 and a contingent liability disclosure in Note 15 is no longer required.

Non-current assets

Non-Current Asset expenditure movements are detailed in the notes to the financial statements. Capital expenditure in 2019-20 totalled £0.223m (2018-19: £0.124m).

Financial position

The total net assets of the Agency at 31 March 2020 were £16.937m (2018-19: £16.325m).

Cash flow

As detailed in the Statement of Cash Flows, the Agency's Net Assembly draw down in 2019-20 was £15.506m (2018-19: £21.649m) and the net increase in Cash and cash equivalents in the year was £0.098m (2018-19: increase £6.753m).

Financial risk

The Agency relies primarily on the Department of Justice for funding and the risk to this funding is low.

The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

Cost of custody

The cost of custody per young person in Northern Ireland was as follows:

- £190,432 (2018-19: £189,065) based on dividing Operating Expenditure (excluding non-standard costs) by the maximum number of available places; or
- £253,909 (2018-19: £252,087) based on dividing Operating Expenditure (excluding non-standard costs) by the number of places the Centre is resourced to accommodate based on current staffing levels and resources available for service delivery.

Operating expenditure relates to the resource expenditure outturn with non-standard cost items removed. These relate to the costs in respect of Youth Justice Services, an apportionment of corporate overheads, the costs associated with the joint project with the Department of Health regarding the proposed repurposing of Woodlands Juvenile Justice Centre, movements in provisions (excluding legal provisions) and impairments arising from the revaluation of fixed assets. The movement in the cost of custody reflects rising staff costs and increasing education and medical costs relating to the services provided to Woodlands Juvenile Justice Centre.

Long-term expenditure trends

The charts below show:

- **Chart 1:** the movement in the Department of Justice non-ringfenced Resource DEL opening baseline over the period 2016-17 to 2020-21; and
- **Chart 2:** the 2020-21 non-ringfenced Resource DEL budget split by the Core Department, Executive Agencies and Non-Departmental Public Bodies.

Chart 1: DoJ Non-Ringfenced Resource DEL opening baselines

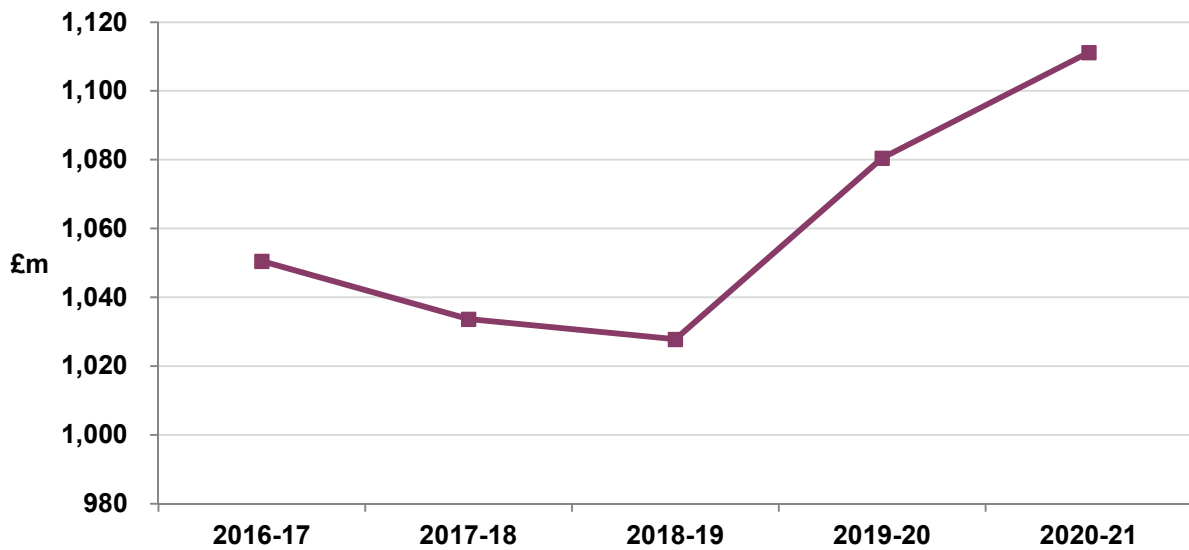
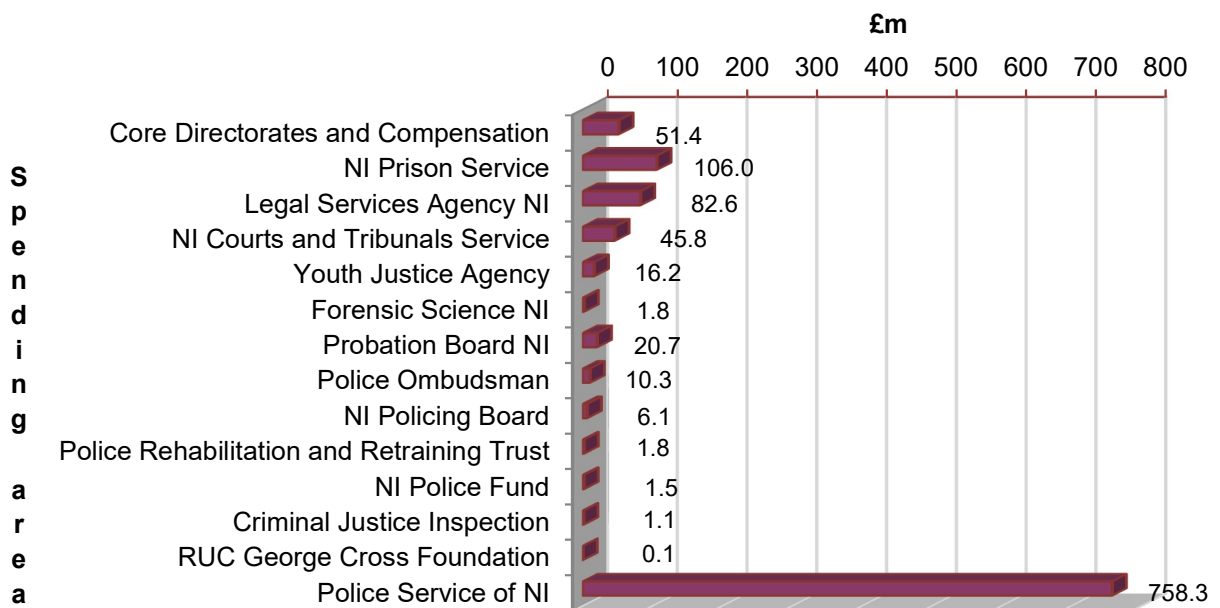


Chart 2: DoJ 2020-21 Non-Ringfenced Resource DEL Opening Budgets



2019-20 financial year

The Secretary of State announced a Northern Ireland 2019-20 budget on 28 February 2019.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2018-19 opening baseline);
- £31.1m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £11.3m was provided towards pressures identified by the Department;
- £32.0m contribution towards pension pressures; and
- £10.7m of funding for EU Exit costs.

In setting 2019-20 budgets, the Youth Justice Agency's allocation was increased by 2.6% to reflect additional funding for the joint project team (with the Department of Health) to explore the transformation of Woodlands Juvenile Justice Centre and Lakewood Secure Care Centre into a joint multi-purpose Care and Justice Campus.

2020-21 financial year

On 31 March 2020, the Finance Minister set out the 2020-21 budgets for Northern Ireland departments which have been agreed by the Executive.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2019-20 opening baseline);
- £29.7m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £22.5m was provided towards pressures identified by the Department;
- £5.0m contribution towards Legacy Inquest costs; and
- £10.7m of funding for EU Exit costs.

In setting 2020-21 budgets, the Youth Justice Agency's allocation was increased by 1.5%.

Audit

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is head of the Northern Ireland Audit Office (NIAO) and reports his findings to the Assembly. The C&AG and his staff are wholly independent of the Agency.

The notional audit fee for the work performed by the staff of the Comptroller and Auditor General during the reporting period was £18,000 (2018-19: £17,500).

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money (VFM) reports. The C&AG published his VFM report on Managing Children Who Offend on 6 July 2017. The Agency developed an action plan in response and continues to ensure that these recommendations are addressed. A follow-up review has since been undertaken and the final report is awaited.

Payment of suppliers

The Agency'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. During the financial year, the Agency achieved an average of 93.5% (2018-19: 92.2%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. The Agency achieved an average of 96.6% (2018-19: 96.0%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

Anti-corruption and anti-bribery

The Agency is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within the Agency, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. The Agency will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. The Agency has a zero tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Whistleblowing

The Agency adheres to the DoJ Whistleblowing policy, which is designed to reassure staff that it is safe and acceptable to speak up when they have a concern about malpractice. The procedures provide arrangements so that such concerns can be addressed at an early stage and in a fair and proper way. The Head of Internal Audit is involved in conducting independent investigations into issues raised under the policy.

Human rights

Civil servants have a statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services. The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to staff in the Agency to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within the Agency.

Estates review

The Agency's estate requirements are reviewed by the Estates, IT and Procurement Committee. The strategy remains to relocate the Agency away from small leased premises and towards public sector owned premises co-located with other services.

Environmental and sustainability matters

The Agency is committed to help minimise its environmental impact. Recycling of paper, plastic, cardboard is encouraged to help reduce the amount of waste disposed to landfill.

Freedom of information

The Freedom of Information (FOI) 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 2019-20 the Agency received seven requests for information under the Freedom of Information Act and 13 requests regarding personal information under data protection legislation. All responses were provided within the statutory time limits. There were no internal reviews or ICO complaints.

PERFORMANCE REPORT



Declan McGeown
Chief Executive and Accounting Officer
27 October 2020

ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how the Agency meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

i - Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the Agency's governance structures and how they support the achievement of its objectives.

As a minimum, the corporate governance report must include:

- Directors' Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

ii - Remuneration and Staff Report

This section sets out the Agency's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

iii - Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- regularity of expenditure;
- Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

CORPORATE GOVERNANCE REPORT**DIRECTORS' REPORT****Management Board**

The Agency is headed by a Chief Executive who is supported by a Management Board. The current Chief Executive is Declan McGeown. The Agency's Management Board 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. The structure and members of the Management Board for the year ended 31 March 2020 are set out below. Directors were in post for the full financial year unless otherwise noted.

Post	Member
Chief Executive	Declan McGeown
Director of Custodial Services	Brian Ingram
Director of Youth Justice Services	Mary Aughey
Non-Executive Member	Sarah Havlin
Non-Executive Member	David Brown

The Management Board has been reconstituted as the tenure of the Non-Executive Members has come to an end. The new Non-Executives' appointments commenced 1 April 2020.

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 Note 16 to the Accounts for Related Party Transactions.

Information assurance

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 DoJ to minimise the risk of compromise of that information. Information assurance issues are reported quarterly to the Agency Management Board.

During 2019-20, the Agency reported minor incidents regarding information security to the Department of Justice. In each case, the Department was content with the actions taken and for the Agency to manage the incidents internally. None reached the threshold for reporting to the Information Commissioner's Office.

Safeguarding and 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 their needs, whilst reducing risk to and from others. All children, young people, 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 Agency's Chief Executive is a member of the Safeguarding Board for Northern Ireland (SBNI), and Assistant Directors represent the Agency on all Local Safeguarding Panels and a range of SBNI Committees and Sub-Groups. As a member of SBNI, the Agency is guided by and has a statutory obligation under the Safeguarding Board Act (Northern Ireland) 2011, to have due regard for the safety and welfare of children in the exercise of its functions.

Our staff have significant contact with children and families, and witness many of the current day stressors that impact on children within their families and communities. We recognise that our role is to promote early recognition, understanding and appropriate staff action with those children, parents/carers where safeguarding concerns may be emerging or confirmed. Our staff are vigilant regarding the needs of the children we work with and their siblings.

Currently the predominant safeguarding themes reported within the Agency include: issues of mental health, self-harm and substance misuse, and children under threat within the community. However, practice experience informs us that safeguarding issues regarding e-safety (including sexting and bullying); domestic abuse (including peer on peer abuse and child to parent violence), Child Sexual Exploitation (of young men and young women), and concerns regarding Neglect (whether it be physical, emotional, medical or educational) are some of the child protection concerns that impact children in receipt of our services.

As a member Agency of SBNI, we are committed to continuing to integrate the latest research and best practice in the field of Youth Justice alongside our safeguarding responsibilities.

Youth Justice Agency staff continue to make child protection referrals as appropriate. A significant proportion of these relate to issues regarding alleged community threat, serious substance misuse and concerns for children for whom there may be mental health issues or the risk of serious self-harm. Safeguarding procedures are followed in each case.

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-step complaints process which is monitored in accordance with the Agency's Complaints Charter.

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, the 2019-20 report is reproduced below. People who remain unhappy with an ICR decision have the right to refer their concerns to the Northern Ireland Public Services Ombudsman (NIPSO). More information about the NIPSO can be found at www.nipso.org.uk/nipso.

During 2019-20 a total of seven complaints were received by the Agency. Full details of the Agency's complaints procedures can be found on the Departmental website at: www.justice-ni.gov.uk.

Report by Independent Complaints Reviewer

Introduction by Jodi Berg OBE

I am pleased to present my annual report. My role is to deal with complaints escalated to independent review if people are dissatisfied with the response given by the Agency itself. I also monitor the operation of the internal complaint process by carrying out an annual audit. The Youth Justice Agency is committed to responding to all complaints in an open and courteous way and to learning the lessons both from internal complaints and from any that are referred on for independent review.

An ICR review will consider what service people can reasonably expect from the Agency and whether these standards were met in their case. When people contact me, I can seek to negotiate an amicable settlement of their complaint with the Agency or, where this is not possible, I can carry out a thorough investigation to decide whether their complaint is justified. If I uphold a complaint, I 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 my role, I usually make an annual visit to the Agency to carry out an on-site inspection of internal complaints procedures and to speak directly to staff members and to young people in receipt of Agency service. This year, due to the Covid-19 pandemic, this has not been possible. However, I have carried out a documentary inspection of complaints data and followed this up with a telephonic meeting with the Agency's Head of Communications and Business Performance, who is responsible for the internal complaint handling process.

As always, I benchmark the Agency's process and performance against that of other public bodies for which I have been the independent complaints reviewer. I am pleased to report that in my opinion the Agency continues to meet high standards in terms of both procedure and performance. Few complaints are made but where they are, they are resolved internally by staff who have an open approach to dealing with concerns that are raised. The Management Board receives quarterly reports that provide data regarding the numbers of complaints received, and also offer an explanation of what they were about and how they were settled. As usual this year, most complaints were settled at Step 1 ("talk to a member of staff") or Step 2 ("complain to a senior manager").

I was pleased to note that my conclusions have been supported this year by the findings of an Internal Audit Review which rated the Agency's Complaints Handling as Satisfactory noting "Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives".

The reporting year

During the year, the Agency recorded only seven internal complaints. Of these five were resolved at Step 1 of the process and two at Step 2. As always, most complaints (six) were made about the Agency's Custodial Services, that is the Woodlands Juvenile Justice Centre, however numbers are very low in light of the fact that young people are confined.

Complaints made during the year included one from the mother of a young person who felt that the personal style of the Youth Conference Co-Ordinator that dealt with the case had been overbearing. This matter has now been resolved. Complaints made at Woodlands this year were mostly about sanctions imposed on young people who had either infringed rules or behaved inappropriately towards staff. These were resolved following discussion with staff or their line managers. A complaint made in the previous year that information about a young offender had been inappropriately passed on to their school teacher by the Agency, was settled at Step 3 when a senior manager became involved. No complaints were referred to me during this year.

The Agency has also received positive feedback regarding its participation in the Schools Programme, an outreach initiative. I am also pleased to see that in a response to my previous recommendation, compliments are being recorded and passed on to the Board, which enables senior officers to give credit to staff who do their best and who go the extra mile to help young people move forward from their offending behaviour to lead better lives. One officer received the following commendation from the family of a young person: "He has been calm, supportive, a great listener and has never been judgmental...We are a better family now because of his guidance, knowledge and support". Another officer was thanked for "her perseverance in helping him to turn his life around". These kinds of comments demonstrate how important the work of the Agency is and the transformative effect that the work its staff do can have for the young people they serve.

Finally, I record my thanks to the Agency Board and senior managers for their support for the ICR role.

Contact the ICR

The ICR treats everyone with fairness and sensitivity, understanding how difficult it can be to complain about people in positions of authority.

I respect the privacy of complainants and do not publish information about them or their case, or discuss individual complaints with any third-party. I am 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 information to anyone else, including the person making the complaint. Requests for data or information must be made direct to the Agency.

Contact me at: e-mail: enquiries@icrev.org.uk

Telephone: 020 7930 0749

NON-EXECUTIVES' REPORT

Overview

As Non-Executive Members (NEMs), our purpose is to provide external advice and expertise in association with independent thought to help inform the decision-making process. We offer independent constructive challenge to the operation of the Board, contributing toward the Agency's purpose of ensuring the most appropriate and effective use of resources and services for the benefit of the community.

We are appointed to prepare for, and attend monthly meetings of the Youth Justice Agency's Management Board and the Agency's quarterly Audit and Risk Committee (ARC) meetings. Board meetings are held across the Agency's estate, increasing our accessibility to Staff through the Valuing People Sounding Board.

Sarah Havlin

As Chair of the Agency's Audit and Risk Committee, I oversaw a revision of the Committee's Terms of Reference (TOR). The new TOR have since been endorsed by the Management Board and the Committee. The YJA risk register was reformatted to meet Agency requirements and now enables it to demonstrate how it manages risk and how this links to the Agency's strategic outcomes. I have continued to engage with the Programme Manager for the Implementation of Review of Residential Secure Care. I particularly welcome her input to our meetings and acknowledge the progress made in 2019-20.

My tenure as Chair of the Audit and Risk Committee and as Non-Executive Member of the Agency has ended on 31 March 2020. I have immensely enjoyed my time with the Youth Justice Agency and would like to thank all those who have supported me in my role. I wish the new Chair and Board members well for the future.

David Brown

Under the Juvenile Justice Centre (JJC) Rules (NI) 2008 there is a legislative requirement for monthly monitoring visits to be completed. In my role as a nominated Non-Executive Member I continued to carry out these unannounced monthly monitoring visits throughout 2019-20. This provides assurance to the Department, the Board, the Chief Executive and the Director of Custody that young people in Woodlands are being appropriately treated and managed in accordance with the aims of the Centre and the JJC Rules (NI) 2008, and that statutory provisions and best practice are being observed.

Specifically, this assurance is provided in the form of a written report and covers issues or observations in relation to children, staff and facilities and any issues of concern and action required. The reports are widely welcomed and provide a platform where both issues of concerns or examples of best practice can be shared.

Concluding remarks

Our tenure of NEMs has now ended as of 31 March 2020. Moving forward we wish the Agency every success in its application of the Model of Practice and the continued success of the Woodlands repurposing programme.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed the Youth Justice Agency 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 income and expenditure, Statement of Financial Position 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 DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for 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 DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

GOVERNANCE STATEMENT

1. Scope of responsibility

The Agency is an Executive Agency of the 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.

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 *MPMNI* are met.

The Agency presently sits within the DoJ's Reducing Offending Directorate which fulfils the sponsor role for both the Northern Ireland Prison Service (NIPS) and the Agency. The Directorate provides end to end support to individuals to help reduce their risk of offending and brings together custodial services across Northern Ireland.

A Framework Document is in place - this defines the responsibilities of, and the relationship between, the Agency, DoJ, Ministers and the Northern Ireland Assembly and outlines the Agency's financial structure, personnel management arrangements and relationship with other agencies.

Our Sponsor Directorate also approves the Agency's Business Plan and regularly reviews the Agency's progress through regular review meetings.

2. Purpose of the governance framework

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 2020 and up to the date of approval of the accounts.

3. Governance framework

Management Board

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 DoF 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 policy, planning and priority setting and the monitoring of business performance. The two Directors each have specific areas of responsibility. The two Non-Executive Members brought a good mix of previous knowledge and experience from a wide range of other organisations both public and private sector. I thank them for providing the benefit of their professional skills and advice.

The Management Board, which currently comprises five members, meets each month and the meetings are chaired by me, the Chief Executive. The Management Board is supported by the Agency's designated Financial Shared Services Accountant, NICSHR representative and the Head of Communications who also attend the monthly meetings.

The tenure of both Sarah Havlin and David Brown as Non-Executive Members ended on 31 March 2020 and I would like to wish them both well in all future endeavours. Nick Fullerton and Hilary McCartan were appointed as the new Non-Executive Members with effect from 1 April 2020.

Attendance by members is shown below for the 10 meetings of the Agency Board during 2019-20:

Position	Member	Attendance
Chief Executive	Declan McGeown (Chair)	10
Director of Custodial Services	Brian Ingram	9
Director of Youth Justice Services	Mary Aughey	10
Non-Executive Member	Sarah Havlin	8
Non-Executive Member	David Brown	10

The Management Board reviews 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 Terms of Reference were last reviewed in May 2019.

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 information being presented to them each month. The Committees are:

- Audit and Risk Committee;
- Communications Committee; and
- Estates, IT and Procurement Committee.

Audit and Risk Committee

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

- the Agency's two Non-Executive Members (NEMs); and
- a senior civil servant independent of the Agency from within the Northern Ireland Civil Service.

Attendance by members is shown below for the four meetings of the Audit and Risk Committee during 2019-20:

Position	Member	Attendance
Non-Executive Member	Sarah Havlin (Chair)	3
Non-Executive Member	David Brown	3
Independent Member	Bernie Rooney	3

The following were generally in attendance at all Audit and Risk Committee meetings:

Chief Executive, Agency Directors, Head of Information and Records Management, Head of Internal Audit, and representatives from Northern Ireland Audit Office (NIAO) and Financial Services Division (FSD).

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 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; and
- anti-fraud policies, whistle blowing processes and arrangements for special investigations.

The Audit and Risk Committee recently reviewed its own effectiveness and has reported the results of that review to the Management Board.

Communications Committee

The Communications Committee meets regularly throughout the year. It is chaired by the Chief Executive with membership comprising representation, at a senior level, from each Directorate and from the DoJ Communications (Press Office) Team. The Committee operates under agreed terms of reference and meetings are recorded. Regular monthly reports are provided to the Management Board by the Head of Communications on behalf of the Committee.

The Committee is responsible for oversight of all communications activities both internally and externally to support the Agency's strategic aims in accordance with its corporate plan. This includes:

External

- establishing and maintaining an appropriate public/media profile for the Agency consistent with the requirements of the Management Board; and
- promoting the work of the Agency to key stakeholders, the media, and to the general public.

Internal

- delivering effective internal communications across the Agency; and
- enhancing staff engagement opportunities.

The Committee also has responsibility for the oversight and delivery of the Agency's charity policy and procedures and oversees the planning and delivery of corporate social responsibility initiatives and corporate events.

Estates, IT and Procurement Committee

The Estates, IT and Procurement Committee meets regularly throughout the year. It is chaired by a Director, who is also a Board member. The Committee operates under agreed terms of reference and meetings are recorded. The Committee provides regular updates to the Management Board.

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 NICS strategic direction.

The Committee is also responsible for all issues of control, governance and associated assurances in relation to the procurement of goods and services across the Agency. An internal Procurement Forum was established within the Agency to link regional offices and ensure local office needs are met and efficiency is maintained across the estate.

The role of the Committee is to:

Estates

- carry out a fundamental review of the Agency estate, particularly in relation to Youth Justice Services Directorate (regionally-based);
- ensure the Youth Justice Services estate is fit for purpose and is of the right configuration to meet caseload;
- work towards achieving value for money through reducing the estate or by collaborative accommodation arrangements within the wider DoJ family; and
- monitor maintenance contracts in place in the JJC, Headquarters and Youth Justice Services and costs.

IT

- ensure IT provision meets the business needs of the Agency;
- ensure the Agency's IT strategy and policies are aligned to DoJ;
- oversee the IT User Group; and
- ensure adequate arrangements are in place across all Agency premises in the interests of the security of staff, IT, records and assets.

Procurement

- ensure best practice in the procurement and contract management of goods and services in line with the public procurement policy and guidance from DoF's Construction and Procurement Delivery (CPD);
- ensure the Agency procurement strategy supports the objectives set out in the Corporate Plan;
- ensure transparency, equality of opportunity and consistency in all procurement practices;
- work towards achieving value for money through competitive tender, collaborative opportunities within the wider DoJ family etc;
- provide advice to Senior Managers on the most efficient, economic and effective process for the procurement of goods and services;
- identify areas for efficiency and establish Agency wide contracts for generic services; and
- consider all procurement proposals in relation to goods and services, IT, premises; external funding to voluntary and community groups, small grants, learning and development and consultancy.

4. Risk management and internal control

The management of risk is controlled by the Agency's Management Board and Audit and Risk 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 issues. The Agency's Risk Register has been reviewed and reformatted to link with the Department's Corporate Risk Register. This has resulted in a uniform approach across the Department in how we present and manage risk. 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. 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 and Risk 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/DoF 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 budget managers and their staff who are best placed to recognise the potential for fraud within the everyday operations of their Teams.
- 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 and Risk Committee.
- 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 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 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 and Risk Committee. Assurance is also obtained from the external auditors who present their report to the Audit and Risk Committee following the statutory audit of the Agency's Annual Report and 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 (DoH);
- Independent Complaints Reviewer (ICR);
- Independent Monitoring Role; and
- Health and Safety Executive NI (HSENI).

There were no significant control weaknesses identified from reviews carried out by these independent bodies in 2019-20.

The C&AG published a Value for Money (VFM) Report on Managing Children Who Offend in July 2017. The Agency developed an action plan in response and continues to ensure that these recommendations are addressed. A follow-up review has since been undertaken and the final report is awaited.

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 IT systems are 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 and Risk 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 Directors and Acting Director to discuss progress against key priorities. At these review meetings I reported on the Agency's overall performance, which included updates on our 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/DoF. 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 Internal Audit. During 2019-20, the following audits were completed by Internal Audit:

Area	Status
Follow up to Reported Performance against Outcome Based Accountability 2018-19	Completed - Satisfactory - no recommendations
YJA Complaints Handling 2019-20	Completed - Satisfactory
Business Continuity Planning 2019-20	Completed - Satisfactory
Gifts and Hospitality	Completed - Satisfactory
YJA Creditors Payments	Completed - Satisfactory

The level of assurance provided by each rating is as follows:

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.

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 recommendations made in the Internal Audit Reports carried out in 2018-19 have all been fully implemented and signed off by the Audit and Risk Committee. All recommendations from current audits have been drawn up into Action Plans for implementation, the progress of which is reported to the Audit and Risk Committee.

Looking ahead the following internal audit reviews will be carried out in 2020-21:

- Independent validation of reported performance against Outcome Based Accountability;
- Early Intervention Transformation Programme;
- Restitution in Youth Conference Orders and plans;
- Government Procurement Card; and
- Petty Cash.

In addition to these assurances, the Audit and Risk Committee receives from the Northern Ireland Audit Office, 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.

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 2019-20 acknowledged that 'the Agency continues to meet high standards in terms of both procedure and performance'
- In 2019-20, independent monthly monitoring visits to JJC were undertaken by one of the Agency's NEMs. These visits are to ensure that young people are being appropriately treated and managed in accordance with the aims of the Centre. A report by the NEM was 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. Going forward, arrangements have been made for this Independent Monitoring Role to be performed by a senior member of the management team from DoJ's Reducing Offending Directorate.

6. Budget position

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year.

While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the Covid-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

7. Significant internal control issues

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

There were no significant internal control issues during 2019-20.

8. 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 Internal Audit 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 her professional opinion on the level of assurance that she can provide based on the work done. The Head of Internal Audit forms her professional opinion on the basis of the Internal Audit work completed over a three year period and she has provided overall satisfactory assurance.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

The pay policy for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary set the 2019-20 NI public sector pay policy (October 2019) in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS staff, for 2019-20 has been finalised and paid.

The pay of SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

The Chief Executive is the only member of staff within YJA who is a member of the SCS. Staff at Grade 7 and below fall within the same pay settlement arrangements as NICS staff at the same grades.

Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

Sarah Havlin and David Brown were appointed as NEMs on 31 March 2014 initially for a period of three years, renewable by agreement. Both contracts were subsequently extended for a further three year period, and ceased at the end of March 2020. They have been replaced by two new Non-Executive Members, Nick Fullerton and Hilary McCartan, who have been appointed with effect from 1 April 2020.

Remuneration and pension entitlements - Officials

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

[Audited information]

Single total figure of remuneration

Officials and NEMs	Salary	Benefits in kind (to nearest £100) £000	*Pension Benefits (to nearest £1,000) £000	2019-20
				Total
				£000
Declan McGeown Chief Executive	75-80	-	36	110-115
Brian Ingram Director of Custodial Services	55-60	-	(14)	40-45
Mary Aughey Director of Youth Justice Services	55-60	-	25	80-85
Sarah Havlin Non-Executive Member	5-10	0.1	-	5-10
David Brown Non-Executive Member	10-15	2.3	-	10-15

Single total figure of remuneration

Officials and NEMs	Salary	Benefits in kind (to nearest £100) £000	*Pension Benefits (to nearest £1,000) £000	2018-19
				Total
				£000
Declan McGeown Chief Executive	70-75	-	31	105-110
Brian Ingram Director of Custodial Services	55-60	-	(1)	50-55
Mary Aughey Director of Youth Justice Services	55-60	-	18	70-75
Sarah Havlin Non-Executive Member	5-10	0.3	-	5-10
David Brown Non-Executive Member	10-15	2.7	-	15-20

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

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind shown above are in respect of expenses incurred on Agency business including approved mileage claims and parking. In line with revised guidance from HMRC for Non-Executive Members (NEMs) with effect from 1 April 2019, expenditure on benefits in kind has been grossed up for individual NEMs and PAYE/NIC rules applied in line with normal payroll procedures.

Pay multiples

[Audited information]

	<u>2019-20</u>	<u>2018-19</u>
Band of highest paid Director's Total Remuneration*	£75-£80,000	£70-75,000
Median Total Remuneration* (£)	£34,014	£33,372
Ratio	2.28	2.17

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

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

The banded remuneration of the highest paid Director in the financial year 2019-20 was £75,000 to £80,000 (2018-19: £70,000-£75,000). This was 2.28 times (2018-19: 2.17 times) the median remuneration of the remaining workforce which was £34,014 (2018-19: £33,372).

No employees (2018-19: None) received a full-time equivalent remuneration which was in excess of the highest paid Director.

Remuneration ranged from £19,000 to £75-£80,000 (2018-19: £18,000 to £70-75,000).

Pension entitlements - Officials*[Audited information]*

Officials	Accrued pension at age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20	CETV at 31/3/19	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	
Declan McGeown Chief Executive	25-30 plus a lump sum of 50-55	0 - 2.5 plus a lump sum of 0 -2.5	418	378	20	-
Brian Ingram Director of Custodial Services	25-30 plus a lump sum of 80-85	0 - 2.5 plus a lump sum of 0 -2.5	568	582	(13)	-
Mary Aughey Director of Youth Justice Services	20-25 plus a lump sum of 30-35	0 - 2.5 plus nil lump sum	301	280	13	-

No pension benefits are provided to the Non-Executive Members.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did 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 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 accrual rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also

a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

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). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2019 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2020.

Employee contribution rates for all members for the period covering 1 April 2020 to 31 March 2021 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution Rate - all members
From	To	
£0	£23,999.99	4.60%
£24,000.00	£55,499.99	5.45%
£55,500.00	£152,499.99	7.35%
£152,500.00 and above		8.05%

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal

scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

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

Following the devolution of policing and justice powers to the Northern Ireland Assembly in April 2010, Corporate HR within the Department of Finance (DoF) decided that future recruitment to any Youth Justice Agency post should be on NICS Terms and Conditions of Service, which included membership of the NICS pension arrangements. Since that date the Youth Justice Agency 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 that it would be more appropriate for all current Agency staff in NILGOSC to become members of the NICS pension arrangements, and this transfer became effective from 1 April 2015.

Current members of YJA staff were given the option to retain their accrued pension benefits up to 31 March 2015 in NILGOSC or transfer to NICS pension arrangements by way of a bulk transfer. Final amounts payable to both NILGOSC and NICS pension schemes were agreed during the year and payments were made to settle all remaining liabilities. This bulk transfer process was completed in 2018-19 and a contingent liability disclosure in Note 15 is no longer required.

Further details regarding the closure of the NILGOSC Scheme and bulk transfer to NICS pension arrangements are contained in Notes 1.15 and 11.2.

Compensation for loss of office

There were no compensation benefits paid by the Agency to any members of the Management Board during the financial year.

STAFF REPORT

Staff costs

[Audited information]

			2019-20	2018-19
			£000	*Restated £000
	Note	Permanently Employed Staff	Others	Total
			Total	Total
Wages and salaries		8,008	194	8,202
Social security costs		856	-	856
Other pension costs		2,298	-	2,298
Pension provision	11	-	-	-
Total gross costs		11,162	194	11,356
Less recoveries in respect of outward secondments		-	-	-
Total net costs		11,162	194	11,356

*Figures for 2018-19 have been restated to reclassify Apprenticeship levy expenditure of £35,567 as Social security costs rather than Wages and salaries.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Agency is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2021.

For 2019-20, employers' contributions of £2,231,581 were payable to the NICS pension arrangements (2018-19: £1,613,935 restated) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 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 (2018-19: £575) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19: 8% to 14.75%) of pensionable pay. The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £Nil, 0.5% (2018-19: £16, 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

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

Three persons (2018-19: no persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2018-19: £Nil).

Staff numbers

The average number of whole-time equivalent persons employed in YJA was as follows:

[Audited information]

			2019-20	2018-19
	Permanently employed staff	Other	Total	Total
Operational staff	212	4	216	214
Administration and support staff	15	-	15	16
Total	227	4	231	230

Staff composition

The number of persons employed at 31 March 2020 was as follows:

	Female staff	Male staff	Total staff
Agency Board	2	3	5
Senior Civil Service	-	1	1
Agency Employees	150	93	243

Managing attendance

The projected out-turn figure in relation to Sickness Absence at 31 March 2020 is 14.3 days per SYE (Staff Year Equivalent). This illustrates an increase of 3.6 days from the out-turn figure at the same time last year which was 10.7 days per SYE. Management of Sickness Absence will continue to be a high priority for the Agency into the new reporting year.

Staff policies

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. As a result of a recommendation in the CJINI Report on Equality and Diversity across the Department of Justice, the Justice Equality, Diversity and Inclusion Network has been established on which the Agency is represented. Equality workshops, facilitated by the Equality Commission and Equality and Staff Support Services, were delivered in early 2019-20. These workshops raised staff awareness in relation to their Section 75 obligations and provided advice and guidance on how to properly screen all policies to ensure they are compliant with Section 75 legislation. Staff are now regularly engaging with Equality and Staff Support Services regarding equality screening.

Employment, training and advancement of disabled persons

In line with the wider Northern Ireland Civil Service, the Agency applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of recruitment panels. Unconscious bias training is available to all staff. To maintain and promote a diverse and inclusive workforce, the NICS and Agency have policies in place to support alterations to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and has appointed one of its Deputy Secretaries as the NICS Diversity Lead for Disability. The NICS has a committed Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled colleagues, including a Work Experience Scheme for People with Disabilities. The Agency contributes to the DoJ Disability Action Plan setting out what the Agency will achieve and report on progress.

Employee relations

The Agency recognises the importance of good employee relations and is committed to effective employee communications. Management Board meetings are rotated around all Agency premises and are preceded by Valuing People Group meetings which give local staff an opportunity for face-to-face discussion with Board members on a range of topical issues. Throughout 2019-20 the Agency published regular staff bulletins and Board briefings via e-mail and staff intranet. Managers also held regular 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. Management and Trade Union representatives also meet as required to ensure continued good industrial relations.

Pay policy

Under the *Civil Service (NI) Order 1999*, DoF is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- secure the confidence of staff that their pay will be determined fairly;
- secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Learning and development

As part of the NICS, the Agency recognises the importance of having skilled and engaged employees and continues to invest in learning and development (L&D). NICS HR Learning and Development is responsible for development and delivery of all generic staff training. It offers a variety of learning delivery channels to enable flexible access to learning, blending different learning solutions into coherent learning pathways that are aligned to both corporate need and the NICS Competency Framework.

The NICS offers staff a wide range of career development opportunities through mentoring schemes, secondment and interchange opportunities, elective transfers, temporary promotion and job shadowing. Talent Management is a key theme of the NICS People Strategy and work is underway to develop a corporate approach to managing talent across the NICS.

Health and safety

The Agency is committed to providing an environment, that is, as far as possible, safe and free from risk to health for staff, young people and visitors. The Agency accepts the responsibilities as outlined within the scope of the Health and Safety at Work (Northern Ireland) 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.

The Agency has developed an effective management system based on the HSG65 management model issued by the Health and Safety Executive for Northern Ireland (HSENI). This system ensures that legislative requirements are met and relies on the commitment of management and staff at all levels. The Agency also continues to work closely with the HSENI on related matters.

The programme of health and safety inspection audits across the core estate continues on a rolling basis. The aim of these audits is to ensure proactive monitoring of health and safety, and to inform management of legal requirements and best practice. The audits also provide valuable information that contributes to policy development.

To complement the inspection programme, the Agency continues to monitor performance through the health and safety management checklist which is used at both a local and corporate level to improve the management of health and safety within the Agency.

Basic health and safety training continues to be provided via e-learning including Fire Safety, Office Safety and Display Screen Equipment Awareness. Completion of this suite of courses is mandatory for all staff. Additional training for specialist roles and training needs identified by the risk assessment process will continue to be provided by NICSHR L&D.

Expenditure on consultancy

The Agency incurred no expenditure on consultancy during 2018-19 or 2019-20.

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2019-20 (2018-19: nil).

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

Exit package cost band			2019-20	2018-19
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	-	-	1
£10,000 - £25,000	-	-	-	-
£25,000 - £50,000	-	-	-	-
£50,000 - £100,000	-	-	-	-
£100,000 - £150,000	-	-	-	-
£150,000 - £200,000	-	-	-	-
over £200,000	-	-	-	-
Total number of exit packages	-	-	-	1
Total resource cost £	-	-	-	£3,760

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. Where the Agency has agreed early retirements, the additional costs are met by the Agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**ASSEMBLY ACCOUNTABILITY DISCLOSURES****Regularity of expenditure**

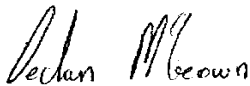
[Audited information]

Losses and special payments

There were no losses or special payments that require disclosure in 2018-19 or 2019-20.

Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Agency had no significant remote contingent liabilities during 2019-20 (2018-19: £Nil) that require disclosure. Note 15 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT

Declan McGeown
Chief Executive and Accounting Officer
27 October 2020

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

I certify that I have audited the financial statements of the Youth Justice Agency for the year ended 31 March 2020 under the Government Resource and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Youth Justice Agency's affairs as at 31 March 2020 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with Section 11(3)(c) of the Government Resource and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on Regularity

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

Basis of opinions

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

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Youth Justice Agency's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Youth Justice Agency have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Youth Justice Agency's ability to continue to adopt the going concern basis.

Other Information

The Accounting Officer is responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Government Resource and Accounts Act (Northern Ireland) 2001.

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

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

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

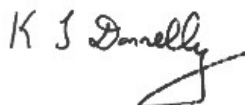
Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance guidance.

Report

I have no observations to make on these financial statements.



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

30 October 2020

FINANCIAL STATEMENTS**Statement of Comprehensive Net Expenditure****For the year ended 31 March 2020**

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

		2019-20	2018-19
	Note	£000	£000
Revenue from contracts with customers	4	(3)	(3)
Other operating income	4	(119)	(103)
Total operating income		(122)	(106)
Staff costs	2	11,356	9,860
Purchase of goods and services	2	4,139	4,721
Depreciation and impairment charges	2	595	544
Provisions expense	2	506	143
Total operating expenditure		16,596	15,268
Net operating expenditure		16,474	15,162
Finance expense	2	29	5
Net expenditure for the year		16,503	15,167
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- net (gain) on revaluation of property, plant and equipment	5	(1,013)	(796)
- net (gain) on revaluation of intangibles	6	(1)	(1)
Comprehensive net expenditure for the year		15,489	14,370

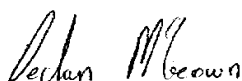
The notes on pages 65 to 88 form part of these accounts.

Statement of Financial Position

As at 31 March 2020

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

	Note	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	5	19,945	19,298
Intangible assets	6	26	31
Total non-current assets		19,971	19,329
Current assets			
Trade and other receivables	9	180	170
Cash and cash equivalents	8	2	2
Total current assets		182	172
Total assets		20,153	19,501
Current liabilities			
Trade and other payables	10	(2,305)	(2,710)
Provisions	11	(95)	(49)
Total current liabilities		(2,400)	(2,759)
Total assets less current liabilities		17,753	16,742
Non-current liabilities			
Provisions	11	(816)	(417)
Total non-current liabilities		(816)	(417)
Total assets less total liabilities		16,937	16,325
Taxpayers' equity and other reserves			
General Fund		12,283	12,553
Revaluation Reserve		4,654	3,772
Total equity		16,937	16,325



Declan McGeown
Chief Executive and Accounting Officer

27 October 2020

The notes on pages 65 to 88 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2020

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

	Note	2019-20 £000	2018-19 £000
Cash flows from operating activities			
Net expenditure for the year		(16,503)	(15,167)
Adjustment for non-cash transactions	3	1,725	466
(Increase)/decrease in trade and other receivables	9	(10)	13
(Decrease)/increase in trade and other payables	10	(307)	582
<i>Less movement in payables relating to items not passing through the SCNE</i>	10	41	-
Use of provisions	11	(90)	(666)
Net cash outflow from operating activities		(15,144)	(14,772)
Cash flows from investing activities			
Purchase of property, plant and equipment		(264)	(93)
Purchase of intangible assets		-	(31)
Net cash outflow from investing activities		(264)	(124)
Cash flows from financing activities			
Net Assembly Funding		15,506	21,649
Net financing		15,506	21,649
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		98	6,753
Receipts due to the Consolidated Fund		26	-
Payments of amounts due to the Consolidated Fund		(26)	-
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		98	6,753
Cash and cash equivalents at the beginning of period	8	(119)	(6,872)
Cash and cash equivalents at the end of period	8	(21)	(119)

The notes on pages 65 to 88 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2020

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

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2018		5,194	3,070	8,264
Net Assembly Funding		21,649	-	21,649
Comprehensive net expenditure for the year		(15,167)	797	(14,370)
Auditor's remuneration	2	18	-	18
Other notionals	2	764	-	764
Transfer between reserves		95	(95)	-
Balance at 31 March 2019		12,553	3,772	16,325
Net Assembly Funding		15,506	-	15,506
Comprehensive net expenditure for the year		(16,503)	1,014	(15,489)
Auditor's remuneration	2	18	-	18
Other notionals	2	577	-	577
Transfer between reserves		132	(132)	-
Balance at 31 March 2020		12,283	4,654	16,937

The notes on pages 65 to 88 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Youth Justice Agency Northern Ireland 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 the year and the preceding year in dealing with items considered material in relation to the accounts unless otherwise stated.

1.1 Accounting convention

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

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

1.2 Property, plant and equipment

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

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

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment are carried at fair value.

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.

1.3 Intangible assets

Expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

All intangible assets are carried at fair value. Software licences are revalued annually using appropriate indices provided by the Office for National Statistics.

1.4 Revaluation Reserve

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

1.5 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point when the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Land	No depreciation
Buildings	Up to 50 years
Vehicle, plant and machinery	4 - 15 years
IT	3 - 10 years
Assets under construction	No depreciation
Intangible Assets	5 years

1.6 Realised element of depreciation from Revaluation Reserve

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

1.7 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets. VAT is recoverable on a Departmental basis.

1.8 Provisions

Provision is made for legal or constructive obligations, which are of uncertain timing or amount at the reporting date, on the basis of the best estimate of the expenditure required to settle the obligation.

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.

1.9 Contingent liabilities

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, 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.

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

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

1.10 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 17.

1.11 Financing

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

1.12 Classification of Income and Expenditure

The Statement of Comprehensive Net Expenditure for the Agency only includes programme income and expenditure. The classification of income or expenditure as programme follows the definition set by the Department of Finance (DoF).

1.13 Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Agency is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Agency: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods and services

Revenue from the sale of goods is recognised either:

- at the point in time when the customer obtains control of the goods, which is generally at the time of delivery; or
- over time as the services are rendered based on either a fixed price or an agreed rate.

Other operating income

Other operating income is income which relates directly to the operating activities of the Agency. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income.

Rental income

Rent revenue from properties is recognised on a straight-line basis over the lease term.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

1.14 Staff costs

Under IAS19 (revised) *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date.

1.15 Pension costs

Employees of the Agency are covered by the provisions of the NICS pension arrangements, the Teachers' Superannuation Scheme (TSS) and the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC).

The NICS pension arrangements are defined benefit schemes which are unfunded. 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 NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, the Agency recognises the contributions payable for the year.

Further details are contained in the Staff Report and Note 2 to the Accounts.

1.16 Operating leases

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

1.17 Notional charges

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 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.

1.19 Financial instruments

Recognition and de-recognition of financial assets and financial liabilities

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

Financial assets

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets held in this category are initially recognised and subsequently measure at fair value, with changes in value recognised in the income statement in the line which most appropriately reflects the nature of the item or transaction.

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective method 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 subject to insignificant risk of changes in value and have an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

Impairment of financial assets

The Agency assesses at each reporting 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 Comprehensive Net Expenditure.

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, and subsequently carried at amortised cost using the effective interest method.

1.20 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 are discussed below.

Post-retirement benefits

The Agency accounts for post-retirement benefits in accordance with IAS 19 *Employee Benefits*. In determining the provision a number of assumptions are used which include the discount rate, salary growth, price inflation and mortality rates.

Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation 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 1.5.

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.

Other than as noted above, no material accounting estimates or judgements were made by the Agency in preparing these accounts.

1.21 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2019-20 financial year

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency’s accounting periods beginning on or after 1 April 2019 or later periods, but which the Agency has not adopted early. The Agency considers that these are not relevant or material to its operations.

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

The Agency has considered those new standards, interpretations and amendments to existing standards which have been published and are mandatory for the Agency’s accounting periods beginning on or after 1 April 2020 or later periods, but which the Agency has not adopted early. Other than as outlined below, the Agency considers that these standards are not relevant or material to its operations.

Standard	IFRS 16 Leases (replaces IAS 17 Leases and related interpretations)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2021-22
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15. IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 Financial Instruments, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Comments	IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

1.23 Financial reporting - future developments

The Agency has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations from the 2018-20 Annual Improvement cycle, and projects where standards, amendments or interpretations are in development. The Agency considers that these changes are not relevant or material to its operations.

1.24 Prior year restatements

Some 2018-19 figures have been restated to reflect changes made to account code mapping by the Department of Justice as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used. These restatements have had no impact on the reported net expenditure for the prior period.

2. Programme expenditure

		2019-20	2018-19
	Note	£000	*Restated £000
Staff costs**			
Wages and salaries		8,202	8,275
Social security costs		856	853
Other pension costs		2,298	1,740
Pension provision	11	-	(1,008)
		11,356	9,860
Purchase of goods and services			
Accommodation costs, maintenance and utilities		1,162	1,255
IT, communications and office services		106	182
Consumables, equipment and transport costs		43	86
Contracted out and managed services		292	471
Professional and consultancy costs		67	127
Client and other programme operating costs		1,068	1,018
Rentals under operating leases		470	467
Staff related costs		329	331
Other costs		7	2
		3,544	3,939
Non-cash items:			
Auditor's remuneration		18	18
Notional charges		577	764
		595	782
		4,139	4,721
Depreciation and impairment charges			
Depreciation	5	589	542
Amortisation	6	6	8
Revaluation, indexation and impairment released to SCNE	5, 6	-	(6)
		595	544
Provisions expense			
Provided in year	11	563	237
Written back in year	11	(57)	(94)
		506	143
Finance expense			
Borrowing costs on provisions	11	29	5
		29	5
Total programme expenditure		16,625	15,273

*Some 2018-19 figures have been restated to reflect changes made to account code mapping by the Department of Justice as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used.

**Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

3. Non-cash costs

	Note	2019-20 £000	2018-19 £000
Purchase of goods and services	2	595	782
Depreciation and impairment charges	5, 6	595	544
Provisions expense	11	506	143
Pension provision	11	-	(1,008)
Finance expense		29	5
		1,725	466

4. Income

	2019-20 £000	2018-19 £000
Revenue from contracts with customers		
Sales of goods and services	3	3
	3	3
Other operating income		
Rental income	113	91
Other non-trading income	6	12
	119	103
Total operating income	122	106

5. Property, plant and equipment

2019-20

	Land £000	Building £000	Vehicles, Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2019	300	18,743	1,304	162	20,509
Additions	-	99	122	2	223
Disposals	-	-	(6)	(9)	(15)
Reclassification	-	-	(3)	3	-
Revaluation released to SCNE	-	-	-	-	-
Revaluation	-	462	20	1	483
At 31 March 2020	300	19,304	1,437	159	21,200
Depreciation					
At 1 April 2019	-	-	1,061	150	1,211
Charged in year	-	543	42	4	589
Disposals	-	-	(6)	(9)	(15)
Reclassification	-	-	(3)	3	-
Revaluation released to SCNE	-	-	-	-	-
Revaluation	-	(543)	12	1	(530)
At 31 March 2020	-	-	1,106	149	1,255
Carrying amount at 31 March 2020	300	19,304	331	10	19,945
Carrying amount at 31 March 2019	300	18,743	243	12	19,298
Asset financing:					
Owned	300	19,304	331	10	19,945
Carrying amount at 31 March 2020	300	19,304	331	10	19,945

Property, plant and 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 and Buildings are independently valued by the 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 2020. LPS valued the land and building at Juvenile Justice Centre at 31 March 2020 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.

5. Property, plant and equipment (continued)

2018-19

	Land £000	Building £000	Vehicles, Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2018	300	18,462	1,246	192	20,200
Additions	-	(19)	105	7	93
Disposals	-	-	(59)	(35)	(94)
Reclassification	-	-	-	-	-
Revaluation released to SCNE	-	6	-	-	6
Revaluation	-	294	12	(2)	304
At 31 March 2019	300	18,743	1,304	162	20,509
Depreciation					
At 1 April 2018	-	-	1,076	179	1,255
Charged in year	-	500	34	8	542
Disposals	-	-	(59)	(35)	(94)
Reclassification	-	-	-	-	-
Revaluation released to SCNE	-	-	-	-	-
Revaluation	-	(500)	10	(2)	(492)
At 31 March 2019	-	-	1,061	150	1,211
Carrying amount at 31 March 2019	300	18,743	243	12	19,298
Carrying amount at 31 March 2018	300	18,462	170	13	18,945
Asset financing:					
Owned	300	18,743	243	12	19,298
Carrying amount at 31 March 2019	300	18,743	243	12	19,298

6. Intangible assets

	2019-20 £000	2018-19 £000
Cost or valuation		
At 1 April	87	55
Additions	-	31
Disposals	(49)	-
Revaluation	1	1
At 31 March	39	87
Amortisation		
At 1 April	56	48
Charged in year	6	8
Disposals	(49)	-
Revaluation	-	-
At 31 March	13	56
Carrying amount at 31 March	26	31
Asset financing:		
Owned	26	31
Carrying amount at 31 March	26	31

Intangible assets were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

7. 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.

8. Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April	(119)	(6,872)
Net change in cash and cash equivalent balances	98	6,753
Balance at 31 March	(21)	(119)

The following balances at 31 March are held at:

Commercial banks and cash in hand	(21)	(119)
Balance at 31 March	(21)	(119)

Balances for Cash and cash equivalents are disclosed in the Statement of Financial Position as follows:

	Note	2019-20 £000	2018-19 £000
Current assets		2	2
Current liabilities	10	(23)	(121)
Total		(21)	(119)

9. Trade receivables, financial and other assets

	2019-20 £000	2018-19 £000
Amounts falling due within one year:		
VAT recoverable	79	59
Trade receivables	7	13
Other receivables	44	38
Prepayments and accrued income	50	60
	180	170

10. Trade payables, financial and other liabilities

	Note	2019-20 £000	2018-19 £000
Amounts falling due within one year:			
Bank overdraft	8	23	121
Trade payables		2	19
Other payables		872	801
Accruals and deferred income		1,408	1,769
		2,305	2,710

11. Provisions for liabilities and charges

					2019-20 £000
	Pension liability	Legal costs	Early retirement	Holiday pay	Total
Balance at 1 April 2019	-	105	361	-	466
Provided in the year	-	103	-	460	563
Provisions not required written back	-	(6)	(51)	-	(57)
Provisions utilised in the year	-	(63)	(27)	-	(90)
Borrowing costs	-	-	29	-	29
Balance at 31 March 2020	-	139	312	460	911

					2018-19 £000
	Pension liability	Legal costs	Early retirement	Holiday pay	Total
Balance at 1 April 2018	1,434	109	449	-	1,992
Provided in the year	-	237	-	-	237
Provisions not required written back	(1,008)	(30)	(64)	-	(1,102)
Provisions utilised in the year	(426)	(211)	(29)	-	(666)
Borrowing costs	-	-	5	-	5
Balance at 31 March 2019	-	105	361	-	466

11.1 Analysis of expected timing of discounted flows

					2019-20 £000
	Pension liability	Legal costs	Early retirement	Holiday pay	Total
Not later than one year	-	74	21	-	95
Later than one year and not later than five years	-	65	79	460	604
Later than five years	-	-	212	-	212
Balance at 31 March 2020	-	139	312	460	911

					2018-19 £000
	Pension liability	Legal costs	Early retirement	Holiday pay	Total
Not later than one year	-	21	28	-	49
Later than one year and not later than five years	-	84	109	-	193
Later than five years	-	-	224	-	224
Balance at 31 March 2019	-	105	361	-	466

11.2 Pension liability - £Nil (2018-19 - £Nil)

Prior to 1 April 2015, the Agency made employer contributions to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Scheme, which is a funded scheme of the defined benefit type. However, a policy decision was taken by Corporate HR within the Department of Finance (DoF) 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 to the NICS pension arrangements.

The NILGOSC Scheme closed on 31 March 2015 for YJA employees but the accrued pension benefits of NILGOSC for pensioners and deferred members will remain in NILGOSC.

Current members of YJA staff were given the option to retain their accrued pension benefits up to 31 March 2015 in NILGOSC or transfer to NICS pension arrangements by way of a bulk transfer. Final amounts payable to both NILGOSC and NICS pension schemes were agreed during 2018-19 and payments were made to settle all remaining liabilities. This bulk transfer process is now completed and a contingent liability disclosure in Note 15 is no longer required.

	2019-20 £000		
	NILGOSC - cessation payment	NICS - shortfall payment	Total
At 1 April 2019	-	-	-
Provided in the year	-	-	-
Provisions not required written back	-	-	-
Provisions utilised in the year	-	-	-
Balance at 31 March 2020	-	-	-

	2018-19 £000		
	NILGOSC - cessation payment	NICS - shortfall payment	Total
At 1 April 2018	1,066	368	1,434
Provided in the year	-	-	-
Provisions not required written back	(1,008)	-	(1,008)
Provisions utilised in the year	(58)	(368)	(426)
Balance at 31 March 2019	-	-	-

Reconciliation of the value of the assets	2019-20 £000	2018-19 £000
Opening value of assets	-	100,331
Expected return	-	-
Actuarial gains/(losses)	-	-
Bulk transfer payment to NICS pension scheme	-	(665)
Adjustment for final settlement	-	(16,925)
Employer contributions	-	58
Benefits paid	-	-
Value of assets on exit	-	(82,799)
Closing value of assets at 31 March	-	-

Reconciliation of the value of the defined benefit obligation	2019-20 £000	2018-19 £000
Opening defined benefit obligation	-	101,397
Interest cost	-	-
Actuarial (gains)/losses	-	-
Adjustment for final settlement	-	(18,598)
Benefits paid	-	-
Value of liabilities on exit	-	(82,799)
Closing defined benefit obligation at 31 March	-	-

Analysis of amount to be charged to the Statement of Comprehensive Net Expenditure	2019-20 £000	2018-19 £000
Bulk transfer payment to NICS pension scheme	-	665
Adjustment for final settlement	-	(1,673)
Interest charged/(credited) in respect of defined benefit liability/(asset)	-	-
	-	(1,008)

11.3 Legal costs - £0.139m (2018-19: £0.105m)

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

11.4 Early retirement costs - £0.312m (2018-19: £0.361m)

This provision relates to inherited pension costs associated with the early departure of staff in the years prior to the creation of the Agency and benefits payable in respect of loss of earning capacity (or loss of support in respect of a death).

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

All benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) are charged to the Agency by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and the estimated life expectancy.

11.5 Holiday pay - £0.460m (2018-19: £Nil)

This provision relates to backdated holiday pay. The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for holiday pay shortfall can be taken back to 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. Due to delays in relation to the Covid-19 situation, it is expected that this will not be heard until 2021 but could result in a decision which either reduces the period of liability or confirms the full period back to 1998. The 2019-20 holiday pay provision has been estimated by the Agency in conjunction with NICS HR and covers the period from 1998 to 31 March 2020. An adjustment has also been included by the Agency in respect of the period prior to on-boarding to HR Connect in April 2015 which is not covered in the NICS HR estimate. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- the appeal to the Supreme Court (as detailed above);
- lack of accessible data for years previous to 2011 and for some groups of staff beyond 2011;
- ongoing negotiations with Trade Unions;
- a reliable estimate for the pension element is not yet available so this has not been factored into the provision; and
- the provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions. However, taxation issues are still under discussion with HMRC so the position is subject to change.

12. Leases

Operating leases

£0.470m (2018-19: £0.467m) was included as an expense on operating leases in the Statement of Comprehensive Net Expenditure.

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

	2019-20 £000	2018-19 £000
Obligations under operating leases comprise:		
<i>Land and buildings</i>		
Not later than one year	414	382
Later than one year and not later than five years	839	1,002
Later than five years	-	23
	1,253	1,407
<i>Photocopiers and vehicles:</i>		
Not later than one year	-	1
	-	1
Total	1,253	1,408

13. Capital commitments

	2019-20 £000	2018-19 £000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	37	96
Total	37	96

14. 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 and service fees relating to its leasehold properties. Total future commitments are shown in the table below analysed according to the period in which the payments fall due.

	2019-20 £000	2018-19 £000
Not later than one year	447	292
Later than one year and not later than five years	579	681
Later than five years	-	-
Total	1,026	973

15. Contingent liabilities

The Agency's contingent liabilities have been outlined below on the basis that amounts 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.

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 11 for further details). 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.

16. Related party transactions

The Youth Justice Agency is an Executive Agency of the Department of Justice. During the year, the Agency had various material transactions with the Core Department and other agencies within the Department including Forensic Science Northern Ireland, Northern Ireland Prison Service and Northern Ireland Courts and Tribunals Service.

The Agency also had various material transactions with other entities for which the Department of Justice is regarded as the parent Department including Police Service of Northern Ireland, Probation Board for Northern Ireland and Northern Ireland Policing Board.

In addition, the Agency had various transactions with other government departments and central government bodies. Most of these transactions have been with the Department of Health (DoH) and Department of Finance (DoF).

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.

Sarah Havlin was a Board member for the Regulation and Quality Improvement Authority during 2019-20. She has no involvement in the inspections and there were no transactions with the Agency during the year.

17. 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 £4,140 as at 31 March 2020 (2018-19: £3,091).

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 2020 is £631 (2018-19: £694).

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 £193 at 31 March 2020 (2018-19: £64).

Assets held

The monies noted above are not included within the Agency's assets as they do not belong to the Agency. The assets held at the reporting period date to which it was practical to ascribe monetary values are set out in the table below:

	31 March 2019 £000	Gross Inflows £000	Gross Outflows £000	31 March 2020 £000
Monetary assets such as bank balances	4	30	(29)	5

18. Events after the reporting period

Other than as noted below, there were no events after the reporting period that required disclosure.

Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020

These Regulations came into operation on 24 April 2020 and allows those workers for whom it was not reasonably practicable to take annual leave as a result of the pandemic to carry over up to four weeks of annual leave into the next two leave years. Any exemption will apply only to circumstances where it was not reasonably practicable for workers to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by the Agency. It is not possible for the Agency to give a reasonable estimate of the impact at this time.

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 30 October 2020.

OTHER

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