



PBNI Probation Board
for Northern Ireland

ANNUAL REPORT & ACCOUNTS 2022-23

Probation Board for Northern Ireland Annual Report and Accounts for the year ended 31st March 2023

The Annual Report is laid before the Northern Ireland Assembly under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 by the Department of Justice.

The Statement of Accounts and Report of the Comptroller and Auditor General is laid before the Northern Ireland Assembly under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 by the Comptroller and Auditor General for Northern Ireland.

on

10 July 2023

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PERFORMANCE REPORT

THE PERFORMANCE REPORT

BOARD CHAIR'S FOREWORD

I am delighted to present the Probation Board for Northern Ireland (PBNI) Annual Report for 2022-23.

I was appointed Board Chair on 1 March 2022, just before the start of this reporting period and was joined by 12 Board Members from across the community, most new to the role. To develop members understanding of PBNI a comprehensive induction programme was undertaken throughout the year. This included a series of scheduled workplace visits across Northern Ireland, including to some of our prisons where Probation staff are based, PBNI offices and Community Service projects. During the year the Board also undertook an effectiveness review to improve how the Board and its Committees operate. A Board Development Day followed in January 2023 and has provided an opportunity to streamline our work going forward.

This was a milestone year for PBNI as it reached its 40th Anniversary. To celebrate and recognise our people during this significant year an event was held in Belfast City Hall which several Board Members attended. A particular highlight of the day was the opportunity to present long service certificates to a number of staff including some with over 40 years' service. It also was a chance to reflect on all that has been achieved over the last 40 years and to also consider future challenges for Probation.

Post pandemic, PBNI began to return to 'normal service delivery' during 2022/23 following covid. However, the organisation continued to operate against a significantly challenging background. This year saw an increase in caseload, and of major concern an increase in complexity with many service users presenting with poor mental health and addictions. This trend is likely to increase in the future. Many have experienced multiple childhood adversities and suffer from intergenerational trauma. PBNI is also experiencing significant staffing pressures given the gap between the supply and demand for qualified social workers. Staff retention has been a challenge as PBNI continue to operate outdated pay systems introduced in the 80's and long overdue modernisation. Looking forward PBNI, like many other parts of the public sector, face very real budget constraints that makes long term planning incredibly difficult.

In June 2022, the Board began the development of a new Corporate Plan for 2023-26. As part of this process we undertook a comprehensive consultation programme which included four internal staff engagement events and a virtual Town Hall. Over 150 staff attended these events. We also held round tables with representatives from the community and voluntary sectors and our statutory partners. Importantly we also spoke to service users, those people directly using our services and received written responses from a range of interested parties. All the feedback and responses have helped to inform the narrative of this Plan. While the operating environment will be difficult in the next few years the Plan sets out our desire to be an organisation which is innovative, creative, collaborative and solution focused.

As you will see in this report, our resource budget in 2022-23 was just over £22 million, which is less than 2% of the Department of Justice's entire budget. Despite the challenging backdrop to the last 12 months, much has been achieved. The Chief Executive led and implemented an organisational restructure and we now have a Senior Leadership Team (SLT) in place to provide support to deliver the Corporate Plan priorities. This has included appointment of two Directors of Operations and two Assistant Directors. The new structure will enable SLT to provide the most effective leadership over the coming years and provide increased resilience and stability for the Service given the challenging operating environment. SLT will also focus on and prioritise core statutory work, supporting staff to deliver a professional and quality service to service users. In the third year of PBNI's current Corporate Plan, performance against the Business Plan for 2022-23 has been high with five of our six priorities achieving a 'green' rating.

Funding remains a challenge for all public sector organisations and any reduction or cut in resources is greatly magnified and has a very disproportionate impact on staff and service delivery. The Board will continue to work closely with the Department of Justice in relation to the financial pressures and to do our best to mitigate any impact on the delivery of services.

Overall this report shows clearly that PBNI has been creative and solution focused throughout the reporting year. Staff continue to demonstrate immense dedication and commitment. Every day throughout PBNI staff support, hold to account and assist the people we work with to improve their outcomes, change their lives for safer communities resulting in fewer victims of crime.

I want to put on record my thanks to the Chief Executive and the senior team for overseeing the delivery of these vital probation services. I also want to pay tribute to Board members for their ongoing support, assistance and professionalism. Members have worked hard to help shape the strategic direction of the PBNI particularly through the development of the Corporate Planning process.



Mr Max Murray CBE
Chairperson

INTRODUCTION FROM THE CHIEF EXECUTIVE

I am pleased to present the Probation Board for Northern Ireland's (PBNI) Annual Report for 2022-23. In this financial year, we have delivered on most of our business plan objectives, managed our corporate risks appropriately and delivered our services to communities throughout Northern Ireland in line with our budget allocation.

Living within our budget over the last 12 months has not been easy and it has meant prioritising the delivery of our statutory services and working to stabilise the organisation after a period of significant change.

In 2022-23, we completed a review of our senior leadership team and appointed two Directors of Operations, both of whom are social work qualified to oversee operational delivery within the organisation. We appointed two Assistant Directors and restructured our senior team to enable us to deliver our aim of being an effective, inclusive, and open senior team. In the last year, senior leaders have held six virtual town hall events for staff and been out to every probation office across Northern Ireland. Together we are building a culture where everyone is valued, and everyone's view is listened to.

In September 2022, we marked 40 years of PBNI's existence and used the opportunity to celebrate the long service of many of our staff. The event held in Belfast City Hall and hosted by the Lord Mayor provided us with the opportunity to reflect on all that has been achieved and look to the future and the type of service we want to develop in the coming years.

While it was heartening that so many of our staff have been recognised this year for their long service, probation like many social work organisations is also facing difficulties in retaining experienced staff. In order to overcome this challenge, we have begun a modernisation programme and made significant progress on that programme of work alongside our sponsor Department. It is imperative we continue that piece of work to ensure we are a competitive and attractive employer in the future and can build up our workforce capacity and capability.

A key element of our work over the last 12 months has been developing an organisational approach to hybrid working. We have consulted staff, service users and partners on our approach and developed a 'new ways of working group' to explore how we can be an agile and effective service, maximise our investment in IT and make efficiencies in our estate. It is essential that the hybrid approach helps our people to deliver an effective service to protect the public and supports staff wellbeing.

At the end of March 2023, probation staff were supervising 4,108 people on a range of community orders and licences. We were also working with 471 victims registered on the Victim Information Scheme. The complexity of people we are working with has increased and our staff report that more people are presenting with poor mental health, addictions, and trauma than ever before. In practical terms this means that staff are spending more time with individuals to holistically address the causes of their offending behaviour. Indeed, given the high prevalence of these issues, we invited all staff to attend a development day in March 2023 to explore how we could support our people to develop a trauma informed service. The event brought together a range of service users, the Safeguarding Board for Northern Ireland and leaders from across justice to consider how we could work more effectively together to understand the context and reasons why some people offend in order to prevent reoffending.

Over the past year, we have also prioritised our work tackling domestic abuse. We know that there has been a significant increase of more than 100% over the last year in those registered with the victim information scheme who are victims of domestic abuse. We expect to see our workload in this area increase in light of the new legalisation introduced in Northern Ireland. We have provided training to staff on coercive control and domestic homicide reviews and continue to work closely with the police and others to supervise high risk violent and sexual offenders in order to protect the public.

Over the last year, we have prioritised our partnership working, particularly with the Courts Service, Police, Prisons and Judiciary. We have begun a pilot of providing Short Adjournment Reports for Magistrates Courts to produce efficiencies and speed up the assessment process. We continue to take feedback from partners on this initiative and will review it in the next year. We are also continuing our partnership with the Courts Service to implement the Substance Misuse Court in Belfast which is producing positive outcomes. Likewise, we are working closely with the Prison Service and Police Service to rehabilitate people back into the community and protect the public.

Over the next year we are facing unprecedented financial challenges. The savings required are one of the biggest challenges facing public services in over a generation. The impacts of the decisions that must be taken in all organisations will change the delivery of public services and will be felt most acutely by the most vulnerable people in our communities. Within PBNI, the scale of reductions needed will be felt across the organisation and have a real impact on the people we work with and delivery of probation services. The senior team will continue to work closely with the Board and our sponsor Department to try to navigate the least harmful course in the year ahead and at all times we will prioritise our statutory responsibilities and our aim of changing lives for safer communities.



Amanda Stewart OBE
Chief Executive

OVERVIEW

The purpose of this overview section is to outline the Probation Board for Northern Ireland's performance during the 2022-23 financial year and to highlight the key issues and risks identified by management. It also includes high level information on the purpose and activities of the Board.

Statement of Purpose and Activities of the Organisation

The Probation Board was established as a Non-Departmental Public Body (NDPB), under the Probation Board (Northern Ireland) Order 1982 in accordance with a recommendation in the Report of the Review Group on Legislation and Services for Children and Young Persons in Northern Ireland (1979), that the Probation Service in Northern Ireland should be separated from Central Government and become responsible to a community-based Board. The first Board was appointed in December 1982. Each Board is of three years' duration and the current Board was appointed in March 2022.

The Board's main functions are set out in the Probation Board (Northern Ireland) Order 1982. In addition, other legislation relating to probation activities is in the Criminal Justice (Northern Ireland) Order 1991, Criminal Justice (Northern Ireland) Order 1996, Criminal Justice (Northern Ireland) Order 2008 and the Criminal Justice (Children) (Northern Ireland) Order 1998, and in relevant amendments thereto.

The Probation Board is an executive NDPB of the Department of Justice (DoJ).

The Permanent Secretary of the DoJ, who is the principal Accounting Officer of the DoJ, designated the Chief Executive as NDPB Accounting Officer for the Probation Board.

The mandatory functions of the Board are to:

- secure the maintenance of an adequate and efficient probation service;
- make arrangements for persons to perform work under Community Service Orders;
- provide such probation officers and other staff as the DoJ considers necessary to perform social welfare duties in Prisons and Young Offender Centres; and
- undertake such other duties as may be prescribed.

The discretionary functions are to:

- provide and maintain probation hostels and other establishments for use in connection with the supervision and assistance of people who have offended;
- provide and maintain bail hostels;
- make and give effect to schemes for the supervision and assistance of people who have offended and the prevention of crime; and
- make arrangements with voluntary organisations or any other persons (including Government Departments and public bodies) to:
 - provide and maintain such hostels and other establishments as mentioned above; and
 - give effect to schemes for the supervision and assistance of people who have offended and the prevention of crime.



The main strands of the Probation Board's work are to:

- Risk assess people convicted of criminal offences;
- Prepare approximately 4,000 reports annually, to assist decision-making in the criminal justice process;
- Supervise people who have offended (PBNI were supervising 4,108 people on 5,488 orders as at 31 March 2023);
- Provide a range of services to individuals in prisons;
- Provide behavioural change programmes;
- Maintain a Victim Information Scheme; and
- Work with partner organisations to reduce reoffending, and make Northern Ireland a safer place.

Judges have a range of sentencing options available to them to deal with young people and adults who are found guilty of a criminal offence. These range from Community Service which requires the completion of unpaid work, other sentences which are served in the community, to prison sentences which require a person to comply with licence conditions when released from custody.

When conducting its work, the Probation Board aims to:

- Ensure that people keep to the requirements of their court order or conditions of a licence;
- Challenge individuals to produce positive changes in behaviours and attitudes to reduce the likelihood of future offending;
- Minimise harm to others and promote the safety of victims working in multi-agency risk management arrangements;
- Promote responsible citizenship so that people who have been convicted of a criminal offence will become better integrated into the community; and
- Provide support to improve and safeguard the social well-being of individuals, families and communities.

The Probation Board supervises:

- Probation Orders
- Community Service Orders

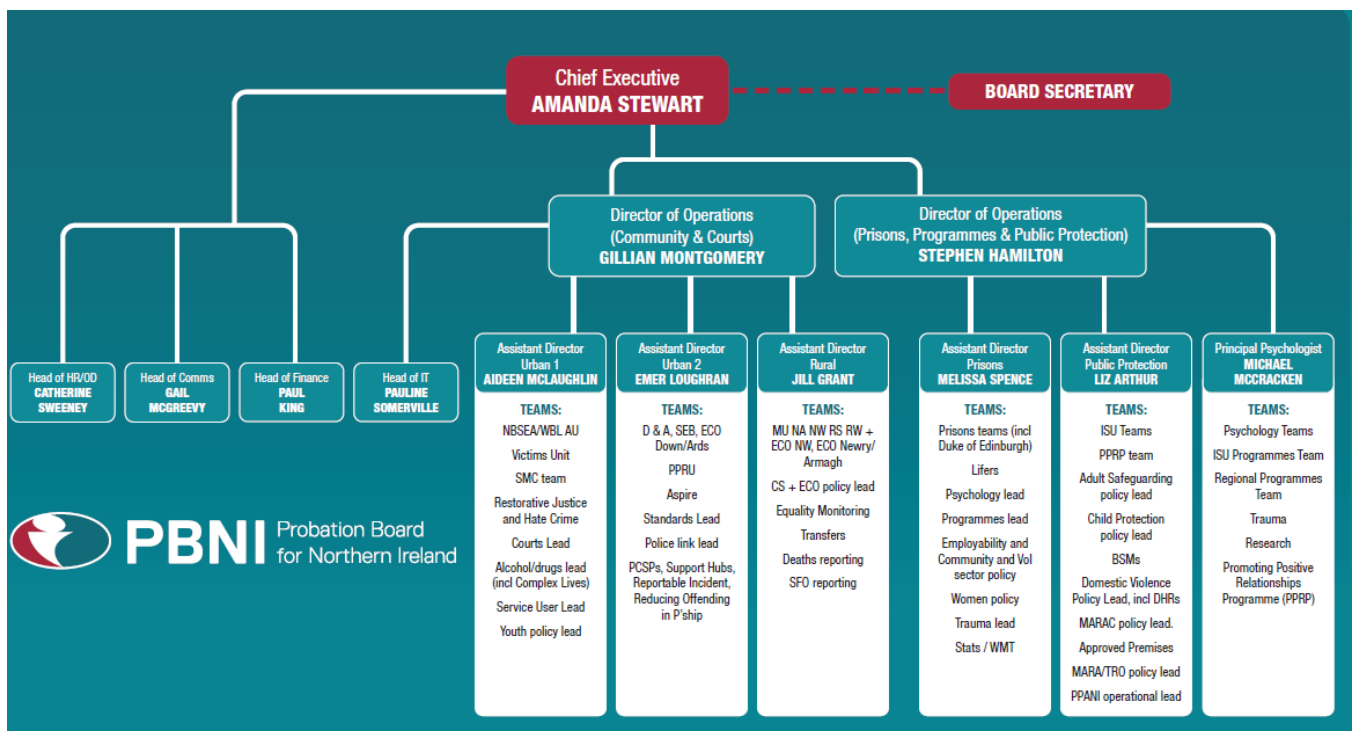
- Combination Orders
- Custody Probation Orders
- Determinate Custodial Sentences
- Extended Custodial Sentences for Public Protection
- Indeterminate Custodial Sentences for Public Protection
- Juvenile Justice Centre Orders
- Article 26 Licences
- Life Sentence Licences
- Other Orders (e.g. Enhanced Combination Orders, Supervised Activity Orders)
- GB licences and Orders

Partnership work underpins everything that probation does and it works with statutory partners as well as organisations in the voluntary and community sector.

PBNI has engaged in the introduction of Problem Solving Courts pilots, in respect of domestic violence and substance misuse.

The focus of all of the work undertaken by the Probation Board is to reduce reoffending and make communities safer.

A high-level organisation structure of PBNI is set out below:



Key Issues and Risks

At the start of the 2022-23 business year PBNI undertook a review of its risk register format and content and developed a new risk template for the identification of risk area and their link to PBNI strategic priorities. At the start of 2022-23 there were five risk areas identified on PBNI's Strategic Risk Register (SRR). These were People, Financial, Reputational, Operational / Resourcing and Technological. During the course of the year, the technological risk area was de-escalated from the SRR namely, "Insufficient resources within the IT / Electronic Case Management System (ECMS) team." This was due to an increase in resources in the team.

The risks were linked to our Strategic Priorities

- Strategic Priority 1: Delivering on the Corporate Plan's Strategic Priorities in the Context of the Covid-19 Pandemic
- Strategic Priority 2: Shaping and influencing Criminal Justice Policy and Practice
- Strategic Priority 3: Delivering an Innovative and Problem Solving Approach to reducing reoffending through Partnership and Collaboration
- Strategic Priority 4: Demonstrating effectiveness and efficiency
- Strategic Priority 5: Valuing and developing our people
- Strategic Priority 6: Building awareness and confidence in Communities about the professional role of PBNI

The risks set out below remain current for PBNI:

ID	Risk Area/Strategic Priority Area	Cause	Impact	Mitigating Actions
1	People / Operational (SP3)	Outdated pay structure	Resulting in unavailability of sufficient capacity and capability in some of the PBNI teams, inexperienced Probation Officers carrying high risk cases, deviation in Practice Standards meaning individuals subject to community supervision are seen less frequently, and high attrition rates at Probation Officer grade which has the potential to significantly impact on public safety	Work on pay modernisation has been undertaken, with proposals agreed with Trade Unions on a revised structure that has been submitted for approval. Engagement events with staff have continued to improve working culture.
2	Financial (SP3)	Lack of 3 to 5 year budget with anticipated funding reductions for 2023-24 one year settlement.	Resulting in short term decision making and insufficient resources to provide quality, effective and safe probation service ensuring delivery of key objectives and maintaining operational capability.	Savings plans have been developed to address shortfalls, with continued engagement with the DoJ to understand Departmental position.
3	Reputational (SP5)	Service User under PBNI supervision committing a Serious Further Offence and it is found that Practice Standards were not adhered to	Resulting in reduced public confidence in PBNI's role in communities, completion of Serious Case Review, and referral to Safeguarding Board for Northern Ireland and increased numbers of victims	Practice standards are in place and are monitored to agree any required deviations. Training and development of staff to understand and communicate emerging issues.
4	Operational / Resourcing (SP3, SP4)	Inability to retain experienced Probation Officers (56% have less than 5 years' experience)	Resulting in increased workload pressure across the organisation and impact on public safety as inexperienced officers are carrying higher risk cases too early in their career	Work to attract experienced probation officers is ongoing, along with a pilot on a workload measurement tool to manage resource to risk.

Risk numbers one and four above were assessed as high risk. In relation to risk 2, the focus of this risk changed throughout the course of the year to reflect the long-term financial uncertainty and the significant budget pressures in the year to come. The risk rating remained unchanged for all of the identified risks above during 2022-23.

The mitigating actions for each of the above risks were monitored during the financial year. The SRR was updated by senior managers and reviewed on a quarterly basis, through the Senior Leadership Team meeting and a focus on specific risk areas each month.

These updates were then considered by the Board's Audit and Risk Assurance Committee before being recommended to the Board of PBNI for final approval on a quarterly basis.

Going Concern

During 2022-23, the Probation Board was financed by a grant from the Department of Justice Request for Resources (Supporting and developing an efficient, effective and responsive Criminal Justice System), the statutory authority being Article 7 (1) of the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

In the continuing absence of an Executive, the Secretary of State for Northern Ireland has set a Budget for 2023-24 and the DoJ has provided PBNI with its budget allocation for 2023-24. PBNI has agreed actions to enable delivery of statutory services within the budget provided. PBNI does not anticipate any changes to the current grant funding arrangement.

In compliance with International Accounting Standard (IAS) 19, the Probation Board has recognised a pension scheme liability of £164k in its Statement of Financial Position (liability of £26,325k in 2021-22). This year this has resulted in overall net liabilities of £689k, compared to net liabilities of £25,684k in 2021-22.

The Probation Board has paid pension contributions to Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC) in accordance with the scheme's specifications.

It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Probation Board is supply financed and draws its funding from the Consolidated Fund via the Department of Justice. Therefore, there is no liquidity risk in respect of the liabilities due in future years. There is a pension scheme surplus as at 31 March 2023. It is therefore appropriate for the Probation Board's accounts to continue to be prepared on a going concern basis.

In the continuing absence of an Executive, the Secretary of State for Northern Ireland has set a Budget for 2023-24. This will enable continued funding to be provided, and PBNI to meet its ongoing liabilities.

PERFORMANCE SUMMARY

2022-23 was the third year of the 2020-23 Corporate Plan. The Probation Board for Northern Ireland (PBNI) Business Plan 2022-23 set out six Key Outcomes for the business year, April 2022 to March 2023. The outcomes are arranged under 6 Strategic Priorities, including the five Strategic Priorities of the PBNI Corporate Plan 2020-23.

PBNI continues to evaluate the evolving circumstances in the context of COVID-19 and considers priorities in conjunction with the Minister and the Department of Justice. At the end of 2023, five of six key outcomes were fully delivered.

Performance against 2022-23 Business Plan Objectives

The Probation Board's three-year Corporate Plan is delivered through a series of annual Business Plans. The key outcomes for the 2022-23 Business Plan achievements are listed below. There were a total of six key outcomes and overall performance is described within the categories below:

Green: Achieved

Amber: Partially Achieved

Red: Not Achieved

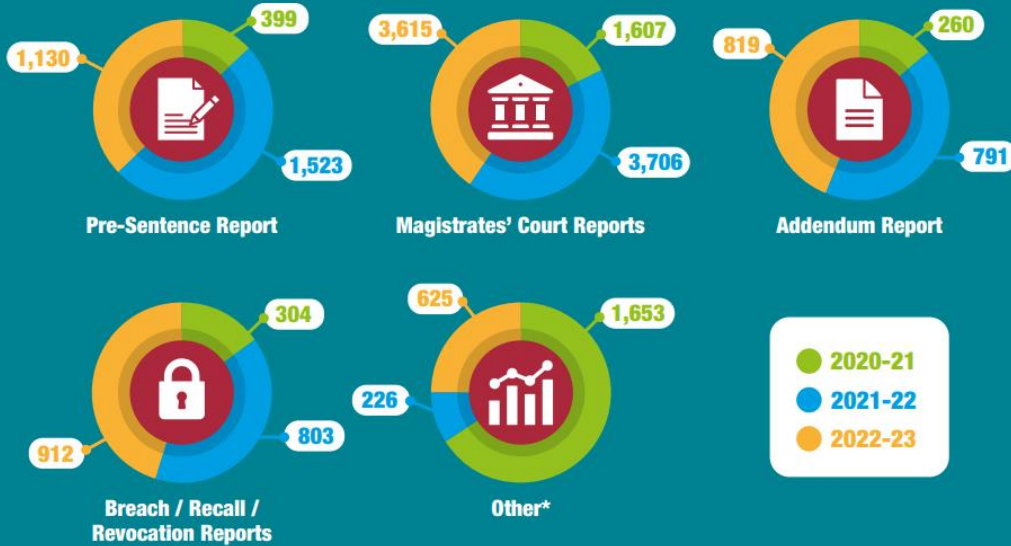
Of the six key outcomes, five were achieved and one was partially achieved.

Strategic Priority	Outcome	Status
Strategic Priority 1: Delivering on the Corporate Plan's Strategic Priorities in the Context of the Covid-19 Pandemic	Key Outcome: To comply with Government regulations and guidance to keep staff safe in the workplace and deliver PBNI services	Green
Strategic Priority 2: Shaping and influencing Criminal Justice Policy and Practice	Key Outcome: PBNI to increase its strategic influence across criminal justice policy and practice and contribute to the aim of the Department of Justice to work in partnership to create a fair, just and safe community where we respect the law and each other	Green
Strategic Priority 3: Delivering an Innovative and Problem Solving Approach to reducing reoffending through Partnership and Collaboration	Key Outcome: Reduce reoffending through innovative rehabilitative interventions	Amber
Strategic Priority 4: Demonstrating effectiveness and efficiency	Key Outcome: Demonstrating value for money and an effective probation service	Green
Strategic Priority 5: Valuing and developing our people	Key Outcome: To be a high performing organisation within the current operating context	Green
Strategic Priority 6: Building awareness and confidence in Communities about the professional role of PBNI	Key Outcome: Ensuring a wider understanding and awareness of the work of PBNI	Green

Performance on the Key Outcomes under these Strategic Priorities is provided in the Performance Analysis section.

WORK UNDERTAKEN DURING 2022-23

REPORTS* COMPLETED: 2020-21 TO 2022-23



TOTAL REPORTS



PERFORMANCE ANALYSIS

PBNI manages performance against the 2022-23 Business Plan Outcomes. Progress and the potential risk or uncertainty of non-achieving is monitored on a quarterly basis by the Senior Leadership Team at the Senior Leadership team meeting by reviewing the Business Plan objectives along with the Strategic Risk Register and the Departmental Risk Registers. The results are reported to the Policy and Practice Committee and to the Board. PBNI's Sponsoring Directorate within the Department of Justice also receives a progress report each quarter. The performance against the 2022-23 Business Plan Outcomes is set out in the table below:

STRATEGIC PRIORITY 1: DELIVERING ON THE CORPORATE PLAN'S STRATEGIC PRIORITIES IN THE CONTEXT OF THE COVID-19 PANDEMIC		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>To comply with Government regulations and guidance to keep staff safe in the workplace and deliver PBNI services</p> <p>INDICATOR:</p> <p>Effective delivery of PBNI services and of all related COVID-19 plans</p>	<ul style="list-style-type: none"> The COVID-19 Recovery Plan and related guidance was reviewed from 2022-23 and updated following each Recovery Group meeting and circulated to all staff. The Covid Recovery Group has been stood down, and transitioned into the 'New Ways of Working' working group. This group commissioned a consultation from staff and stakeholders about the way forward in terms of hybrid working, and is currently working through the findings. Practice standards have been updated and the annual review commenced early Q4. Agreed deviations from Practice Standards have been issued to all teams when appropriate. Service User feedback has been gathered throughout 2022-23 and the Service User survey will be conducted in 2023-24. 	GREEN

STRATEGIC PRIORITY 2: SHAPING AND INFLUENCING CRIMINAL JUSTICE POLICY AND PRACTICE		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>PBNI to increase its strategic influence across criminal justice policy and practice and contribute to the aim of the Department of Justice to work in partnership to create a fair, just and safe community where we respect the law and each other</p> <p>INDICATOR:</p> <p>A proportionate increase in community sentences supervised by PBNI*</p> <p>*The evidence for the indicator will only be available with a one-year delay due to Courts information publication timelines.</p>	<ul style="list-style-type: none"> • All actions as outlined from the Action plan from the Criminal Justice Inspection NI (CJINI) Probation Practice Inspection report are complete. Further work required on AM monitoring which will carry into Q1 2023 – 2024. • PBNI has implemented the Action plan emerging from the CJINI report into how the CJ system treats females who come into conflict with the law • The NIAO Review into adult reoffending has been completed and issued to the various organisations for Factual Accuracy Checks. The final report has not yet been published. • The CJINI review of Approved Premises has been completed. An Action Plan to progress recommendations has been drafted. • PBNI was not required to take part in the Child Protection Inspection. • In terms of a trend of sentences supervised by PBNI there is now an upward trend (after the dip caused by Covid). On 31st March 2022, PBNI were managing 3,947 service users on a combined total of 4,970 orders, licences and sentences. At the end of March 2023 there were 5535 orders and licences (4092 people). 	<p>GREEN</p>

STRATEGIC PRIORITY 3: DELIVERING AN INNOVATIVE AND PROBLEM SOLVING APPROACH TO REDUCING REOFFENDING THROUGH PARTNERSHIP AND COLLABORATION		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>Reduce reoffending through innovative rehabilitative interventions</p> <p>INDICATOR:</p> <p>Deliver and evaluate problem solving approaches within PBNI</p>	<ul style="list-style-type: none"> Engagement with DoJ took place throughout the year on a regular basis in relation to the Problem Solving Justice strategy. However, given the persistent uncertainty of the budget situation a 'status quo' position was taken throughout the year. 2 Domestic Homicide Reviews (DHR) published with a recommendation for PBNI that Adult Safeguarding training is delivered to all operational staff. Adult Safeguarding training was completed for operational staff on dates in February and March 2023. To implement Year 2 of PBNI's Restorative Justice Strategy "Restorative Justice: A Framework for Practice" an additional 34 PBNI staff, Area Managers, Probation Officers PSOs and 2 HR staff have completed their Foundation skills training in Restorative Justice . This took the place of an RJ Forum in Q4. The Practice standards for Restorative Justice (RJ) have been reviewed and will be included in the wider review of standards in the new business year. As part of Restorative Justice week in November 2022, PBNI staff attended a seminar organised by the Restorative Practices Forum NI which focused on the aspect of trauma and RJ. The PPRU audit of Serious Further Offences – a retrospective learning exercise - was published and circulated to all staff. The actions of the Public Protection Advisory Group workplan have been completed and reported to the Inter Governmental Agreement Group. 	<p>AMBER</p>

STRATEGIC PRIORITY 4: DEMONSTRATING EFFECTIVENESS AND EFFICIENCY		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>Demonstrating value for money and an effective probation service</p> <p>INDICATOR:</p> <p>Maintain the 2019-20 level of successfully completed orders/licences</p>	<ul style="list-style-type: none"> Teams have continued to deliver practice seminars in line with Practice Standards to focus on specific areas to drive up performance, and increase completions of licenses/orders. There is a positive trend in terms of Orders and licenses which have been breached. At the end of Quarter 2 there were 185 cases in breach or recall, and at the end of quarter 4 the metric is 179. The short adjournment report has been in operation since February 2023 and feedback is being obtained from the District Judges and collated by the Presiding Judge. The formal sentencer survey will be issued in the new business year following completion of the short adjournment report pilot. In-year verifications under new Community and Voluntary Sector procedures have been completed and a revised policy is due to be completed in Q1 2023-24. Year 2 of the Performance, Practice and Research Unit workplan has been delivered. Recommendations and action plans have been implemented from Year 1 of the Victim and Witnesses Strategy 2021-24 PBNI outturn within the final budget allocation has been provided for 2023-24. High level objectives and baseline data have been agreed for current Estate. Work is ongoing in conjunction with internal and external stakeholders to set key projects and milestones for the next 3 years. All actions from Year 2 Action Plan of ICT Strategy 2021-24 required to implement projects including iTrent and solutions for CS Supervisors, have been completed. Phase 1 of on boarding PBNI as a Causeway partner has been delivered. 	<p>GREEN</p>

STRATEGIC PRIORITY 5: VALUING AND DEVELOPING OUR PEOPLE		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>To be a high performing organisation within the current operating context</p> <p>INDICATOR:</p> <p>Improved staff attendance and staff engagement</p>	<ul style="list-style-type: none"> • CEO’s review of SLT has completed with the recruitment and appointment of two Operational Directors, and recruitment and appointment of Assistant Directors. Directors have worked with the AD team to reassign portfolios and new arrangements were in place from 1 January 2023. • The Draft Business Case in support of Pay Modernisation was submitted to the Department of Justice for approval on 30 November 2022. Constructive dialogue has been entered into between DoJ and PBNI, with a range of DoJ queries addressed and business case modified, as required. The work on Pay Modernisation will extend to 2023-2024. • As part of Career Structure, the Team Mentor role has been extended for 2022-2023. This has provided opportunity for staff in PO roles to develop their careers. • PBNI have approved the financial and time support for 2x staff to do the Open University Social Work degree programme. The application process and interview process have completed with 2 staff accepted by the OU. • PBNI worked with NISRA to develop a benchmarking People Survey which could be used to Benchmark employee levels of engagement in PBNI. This was postponed in line with NICS postponement of the launch of the survey. Work is now underway to assess any other viable means of undertaking an engagement benchmarking survey to help assess and address any cultural issues. • The ‘Your Engagement & Your Support’ programme which was in place to support new starts in probation in their first year in employment continued. Feedback has been very constructive and further focus groups are planned. • Seven social work students are being supported through PBNI work placement and all have been offered job roles further to recruitment during Q1 in 2023-2024. • Development of Hybrid working tool kit for staff and managers. • A review of Recruitment and Selection papers and processes has been initiated. • HR and Payroll’s new management information system, iTrent, has been developed to enable online recruitment applications and management. • iTrent also allows for ‘Self Service’ recording of absence, the booking of Annual Leave and for employees to maintain their own personal details and is currently being piloted in advance of rollout. • In terms of the indicator of success, there has been improvement over the life of the Corporate Plan. In the year before the 2020-2023 Corporate Plan, PBNI’s absence rate was 16.7 days per staff year. There was a marked improvement in the first year of 	<p>GREEN</p>

	the corporate plan, with loss of 10.3 days per staff year, although this has since risen again: in 2022-2023, PBNI lost 13.1 days per staff year. .	
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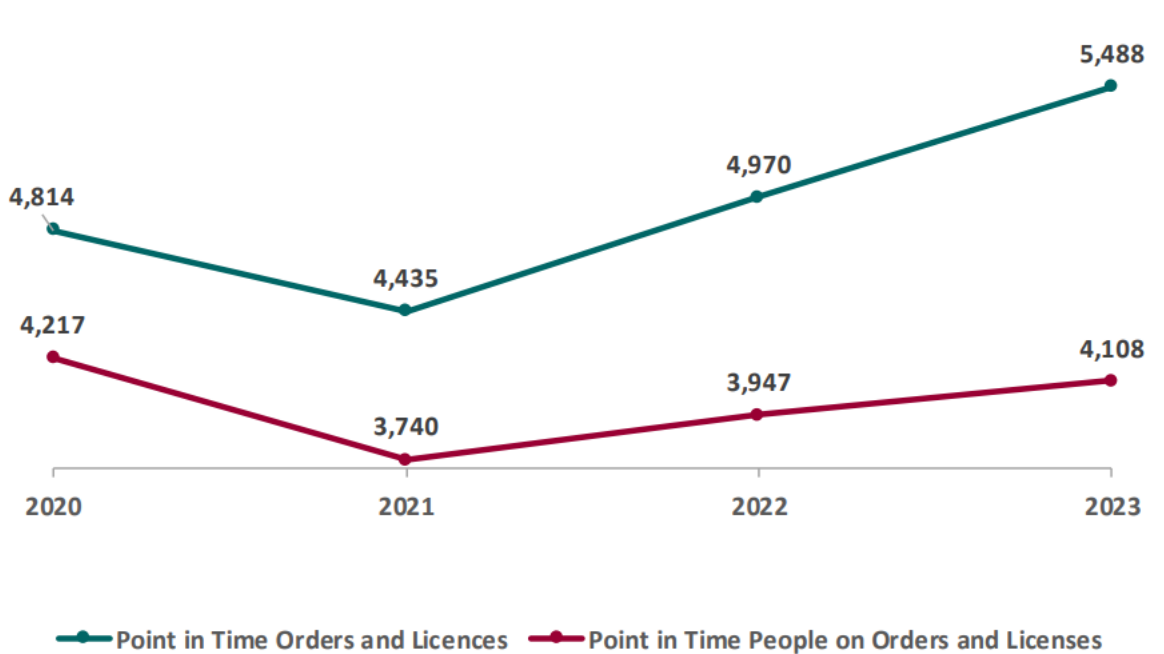
STRATEGIC PRIORITY 6: BUILDING AWARENESS AND CONFIDENCE IN COMMUNITIES ABOUT THE PROFESSIONAL ROLE OF PBNI		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME:</p> <p>Ensuring a wider understanding and awareness of the work of PBNI</p> <p>INDICATOR:</p> <p>Increased understanding and awareness as measured through effective engagement and stakeholder surveys</p>	<ul style="list-style-type: none"> Two stakeholder surveys took place in 2022-23 (internally and externally). The internal survey showed an increase in numbers reading Probation News (97% in 2023; 94% in 2020). More staff also attended SLT and Board visits to teams (52% in 2023; 30 % in 2020). The numbers who thought communications were good remained high - 77% of staff thought communications in PBNI was good or very good. The external survey provided a baseline for future years. 91% of stakeholders surveyed were aware PBNI supervised orders and licences; 83% were aware PBNI prepared prisoners for release; 74% were aware PBNI prepared reports and 73% were aware of the victim information scheme. Social media analytics show over the last year that the number of followers on Twitter increased by 15% and on Instagram increased by 20%. We also established a new Facebook page during the year. Two podcasts have been successfully produced and launched on Spotify explaining the role of Probation. These podcasts have been disseminated via social media. Eight Town Hall events have taken place for staff and feedback has been sought from participants through menti meter and suggestions inbox. Between 60-100 staff attend each Town Hall. Work is underway to review the intranet and redesign it in 2024. A Trauma informed Practice Conference for 220 staff was held March 2023, attracting external speakers and significant media and social media coverage. For example, there was coverage of the event on all daily papers and BBC. A staff conference to mark 40 years of PBNI took place in September 2022 with significant social media coverage and coverage in local papers and the publication of a booklet on 40 years of PBNI. PBNI published a victims booklet to raise awareness of the PBNI victim information scheme. There was significant consultation across the community and voluntary sectors and with statutory partners in developing the Corporate Plan. There was also strong engagement internally with five consultation events held with staff. Following this extensive consultation, the Corporate Plan 2023-26 has been approved by Board. For the first time the Plan will be published in a new digital format with easy-to-read sections. 	<p>GREEN</p>

Work Undertaken during 2022-23

Caseload

On 31 March 2023, PBNI were managing 4,108 Service users on a combined total of 5,488 orders, licences, and sentences. Following a reduction in caseload in 2021 due to the pandemic, there is a continuing upward trend through 2022 and 2023 for both people and orders, though a sharper increase can be seen in the number of orders on caseload.

Point in time orders and people on caseload



While there has been an upward trend in People and Orders on Caseload since 2021, there are fluctuations when order / licence types are looked at individually.

The most common order remains probations orders, which accounted for 35% of all orders at the end of 2022-23. This is followed by Determinate Custodial Sentences, which on 31st March 2023 accounted for 33% of orders on caseload and saw an increase of 19% when compared to the same date in 2022, the largest increase of any order type.

Combinations orders also saw an increase in the past year. They are up 15% from the same date last year and have now returned to the pre-pandemic levels seen in 2020.

Community Service Orders continued to trend downwards, despite the increase in caseload, and saw a reduction of 2% when compared to the same date in 2022.

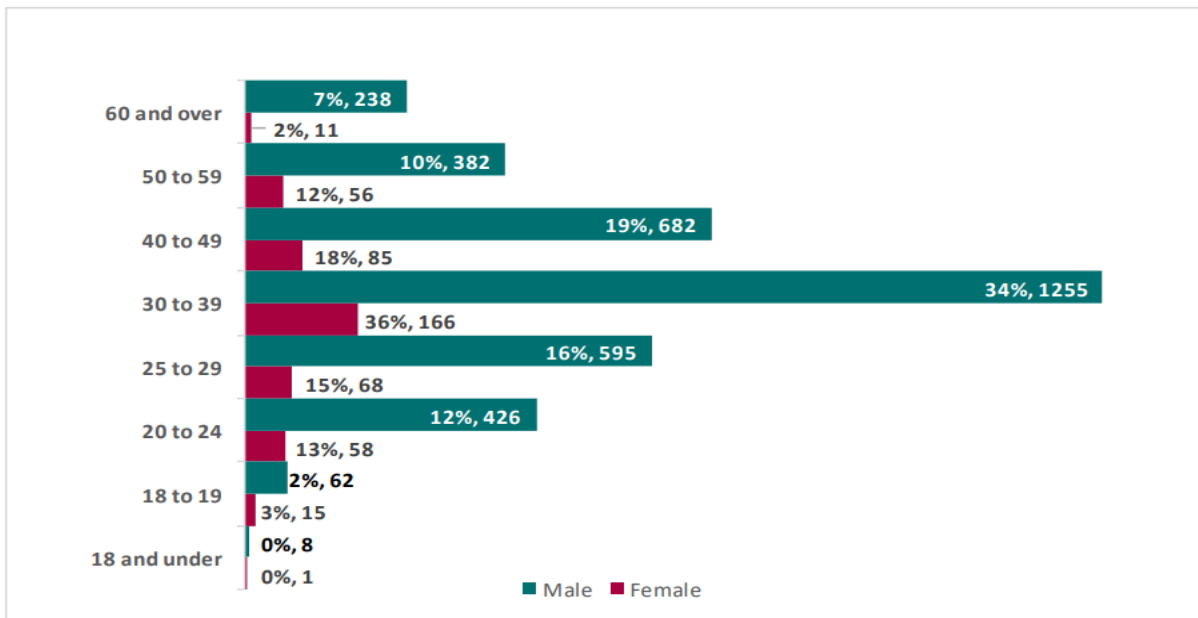
Point in time Type of Order/Licence

		31 March			
		2023	2022	2021	2020
Order	Combination	505	438	403	505
	Community Service	401	408	449	560
	Custody Probation	69	65	42	39
	Juvenile Justice Centre	6	3	6	16
	Probation	1,894	1,765	1,471	1,620
	ECO	233	211	203	266
	Others	0	2	1	2
Licence/Sentence	DCS	1,786	1,496	1,288	1,179
	Life	232	232	235	245
	Sex Offender	73	68	71	77
	GB	24	32	43	53
Public Protection	Extended Custodial	200	187	167	181
	Indeterminate Custodial	57	53	55	51
Non Statutory	Remand/Sentence	0	1	1	2
	Other	8	9	-	18
Point in Time Orders and Licences		5,488	4,970	4,435	4,814
Point in Time People on Orders and Licences		4,108	3,947	3,740	4,217
Others includes Supervised Activity Order, Supervision and Treatment Order, Youth Conference Order					

Demographics

The breakdown of caseload by gender remained consistent this year, with 89% of caseload being male and 11% female on 31 March 2023.

Age Groups of Males and Females on Caseload on 31 March 2023



The most common age range of people on caseload was 30 to 39 years old, with 34% of males and 36% of females belonging to this demographic.

While 30- to 39-year-olds has consistently been the most common demographic of people on PBNI’s caseload, there has been a general downward trend across the lower age groups of 18 and under, 19 to 19, 20 to 24 and 25 to 29 while the higher age groups of 30 to 39, 40 to 49, 50 to 59 and 60 and over have seen a general upward trend.

Report Writing

In 2022-23, the Probation Board provided 6,968 reports to assist decision making in the criminal justice process, of which 3,615 were Magistrates’ Court Reports to assist judges’ decisions regarding the types of sentences to give at criminal courts. A total of 1,226 Pre-Sentence Reports and 819 addendum reports were also provided.

The following table provides a summary of the types of reports completed by the Probation Board over the past four years.

Number of Reports Completed by type from 2019-20 – 2022-23

Type of Report	2022-23	2021-22	2020-21	2019-20
Pre-Sentence Report/CCR	1,266	1,523	399	1,191
Magistrates 'Court Reports	3,615	3,706	1,607	2,987
Addendum Report	819	791	260	1,337
Breach/Recall/Revocation Reports	912	803	304	1,379
Other*	356	226	1,653	1,615
Total Reports**	6,968	7,049	4,223	8,509
*Other Reports include Probation Officers Reports, Short Adjournment Reports, SMC Progress Reports and SMC Suitability Reports **Excluding Explanatory Letters to Court				

Victim Information Scheme

New Victim Registrations has continued to rise, with 313 registrations in 2022-23 compared to 186 2019-20, which represents an increase of 68%.

Financial Review

The financial results for the PBNI are set out on page 84, in the Statement of Comprehensive Net Expenditure. The deficit for the year transferred to General Fund was £27,769k (2021-22: £26,870k).

Net Expenditure Review

The net expenditure of Probation Board for 2022-23 is compared to the previous two financial years in the following table:

Net Expenditure Summary

	2022-23	2021-22	2020-21
	£'000	£'000	£'000
Total operating income	<u>(1,988)</u>	<u>(2,013)</u>	<u>(2,079)</u>
Staff costs	22,088	21,307	19,759
Purchase of goods and services	3,998	4,197	4,214
Depreciation and Impairment charges	982	528	379
Provision expense	100	-	-
Grants	1,897	2,028	2,378
Total operating expenditure	<u>29,065</u>	<u>28,060</u>	<u>26,730</u>
Net operating expenditure	<u>27,077</u>	<u>26,047</u>	<u>24,651</u>
Finance income	(2)	(3)	(3)
Provision Finance expense	694	826	686
Net expenditure for the year before taxation	<u>27,769</u>	<u>26,870</u>	<u>25,334</u>

The Statement of Comprehensive Net Expenditure shows net expenditure before taxation of £27,769k (2021-22: £26,870k), which represents an increase of £899k. This is mainly due to increased staff costs and depreciation charges.

The overall Comprehensive Net Expenditure for the year is a net surplus of £2,419k (2021-22: net expenditure £7,854k), which represents a movement of £10,273k compared to the previous year. This is largely due to a significant actuarial gain on pension provision of £30,136k, compared to an actuarial gain of £19,011k in 2021-22.

Summary of Actual Expenditure against Budget

For 2022-23, PBNI had a net Department Expenditure Limit (DEL) operating cost of £23,694k which is £162k less than the net budget allocation of £23,856k. Operating costs include £46k of expenditure on COVID-19 related supplies and services. The net capital expenditure of £504k is £342k lower than the net budget allocation of £846k. A comparison of net DEL operating costs against budget is summarised in the following table:

Table: Summary of Actual Expenditure against Budget

	2022-23 actual*	2022-23 budget*	Variance	Variance
	£'000	£'000	£'000	%
Net Operating Costs* (excluding depreciation)	22,712	22,791	79	0.35
Depreciation	982	1,065	83	7.79
Net Operating Costs*	23,694	23,856	162	0.68
Net Capital Expenditure	504	846	342	40.43
Overall Total Expenditure	24,198	24,702	504	2.04

*Excludes Annual Managed Expenditure (AME) costs.

A reconciliation of net expenditure from the Statement of Comprehensive Net Expenditure to DEL operating costs is set out in the table below.

Reconciliation of Net expenditure from Statement of Comprehensive Net Expenditure to DEL Net Operating Costs

	£'000
Net Expenditure before taxation, from Statement of Comprehensive Net Expenditure	27,769
Exclude current service cost (AME cost)	(5,619)
Include cash payment of provision (DEL cost)	2,384
Exclude pension borrowing costs (AME cost)	(679)
Exclude administration costs (AME cost)	(61)
Exclude legal provision (AME cost)	(100)
Net Operating Costs	23,694

COVID-19

The Probation Board did not deliver any COVID-19 Government Support schemes in 2022-23. Operating Costs included £46k of expenditure on COVID-19 related supplies and services.

Non-current Assets

The Probation Board’s non-current asset expenditure movements are detailed in notes 5 and 6 to the financial statements. PBNI currently holds total non-current assets of £4,870k at 31 March 2023 (£3,511k 31 March 2022).

PBNI’s net capital DEL expenditure in 2022-23 totalled £504k (2021-22 £156k).

Financial Position

The Probation Board’s Statement of Financial Position shows net liabilities of £689k (2021-22: net liabilities of £25,684k). The main reason for this difference of £27,313k is due to the movement in the pension liability of £26,161k over the accounting period.

The breakdown of movement on the Defined Benefit Obligation liability is shown in the table below:

Table: Defined Benefit Obligation liability at 31 March 2023

	31 March 2023 £'000	31 March 2022 £'000
Opening Defined Benefit Obligation	159,542	164,251
Interest on the obligation	4,263	3,423
Service and Administration Costs	5,680	6,408
Contributions by members	785	809
Actuarial loss / (gain)	(50,098)	(11,946)
Estimated benefits paid	(4,157)	(3,403)
Closing Defined Benefit Obligation	116,015	159,542

The decrease in the pension liability, together with an increase in the value of pension scheme assets, has resulted in a year end net liability of £164k (2021-22: net liability of £26,325k). Details of all pension movements are contained in Note 11 to the accounts.

Cash Flow

The Probation Board's net increase in in cash and cash equivalents in the year is £190k (2021-22 £144k, increase).

Prompt Payment of Suppliers

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

Monthly statistics are uploaded by the DoJ via Account NI. The prompt payment results for 2022-23 showed that 94.6% (91.4% for 2021-22) of invoices were paid within 10 working days following receipt of a properly rendered invoice and 98.4% (96.5% for 2021-22) of invoices were paid within 30 calendar days.

Corporate Social Responsibility

PBNI is committed to behaving ethically, to contributing to the local community, to minimising our impact on the environment, while improving the wellbeing of our workforce.

PBNI policies are screened in relation to our Section 75 obligations; Data Protection and Human Rights Legislation.

PBNI work in partnership with many organisations in the Voluntary and Community Sector, for example, through the Community Services placements and supporting organisations by assisting their funding bids to the Asset Recovery Community Scheme (ARCS).

PBNI has a Wellbeing Working Group chaired by the Health and Safety Officer. The Wellbeing Working Group assisted in the development of the annual Wellbeing Programme for 2022-23 Wellbeing was promoted through the monthly Probation News and through wellbeing bulletins with lots of wellbeing information and resources provided to staff.

In addition, many activities were held during 2022-23 including the following:

- Provision of wellbeing portal/6-month programme from February to July 2022 (Virgin Pulse Go) for staff to have access to wellbeing information and challenges including a nine week physical activity challenge.
- During the months of May and October 2022, mental health awareness days were held.
- Webinar promoting financial pre-retirement advice and where to access information /support from was provided with four events held during 2022-23.
- Mental Health awareness training – training designed to support employees to look after their mental health and training designed for line managers to support team members with their mental health at work.
- Staff Awards event held at Belfast City Hall as part of 40th anniversary activities.
- The following group events were also held:
 - Hill walk
 - Sea swim;
 - Bark in the park;
 - Menopause awareness sessions;
 - Laughing yoga

Anti-fraud and Bribery

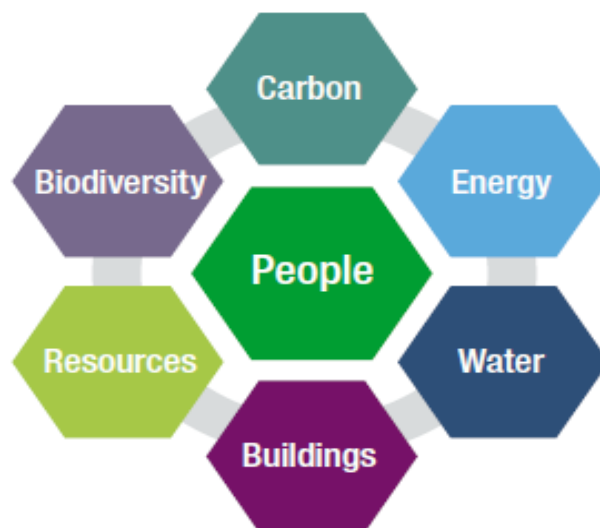
PBNI has an Anti-Fraud and Bribery Policy. PBNI is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within PBNI, to the rigorous investigation of any prima facie case, and - where fraud or other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

PBNI has a Whistleblowing policy in place, designed to provide employment protection for individuals raising genuine public interest concerns. The policy provides information for staff on how to raise concerns about malpractice safely, builds confidence and promotes an environment of openness and transparency.

Sustainable Development

PBNI is committed to continuing its drive on sustainable development by promoting and maintaining a positive and inclusive culture amongst staff and stakeholders. Its aim is to foster governance and leadership in sustainability and work collaboratively to avoid and minimise adverse impacts of PBNI's activities on the environment and society and reduce PBNI's carbon footprint. PBNI are working to develop a clear commitment to reducing carbon emissions, have a carbon policy, a strategy and clear targets that are tracked across the organisation.

During the 2022-23 PBNI has worked closely with the DoJ to develop a cross Departmental Sustainability Strategy and climate action plans. The strategy sets out seven key themes, shown here, under which the detailed plan will be developed



PBNI are working to measure the carbon footprint of the whole organisation by collating information on current Energy Performance Certificates (EPCs) and recommission out of date certificates, assessing current Estate EPC rating including average rating and set a target for minimum EPC rating.

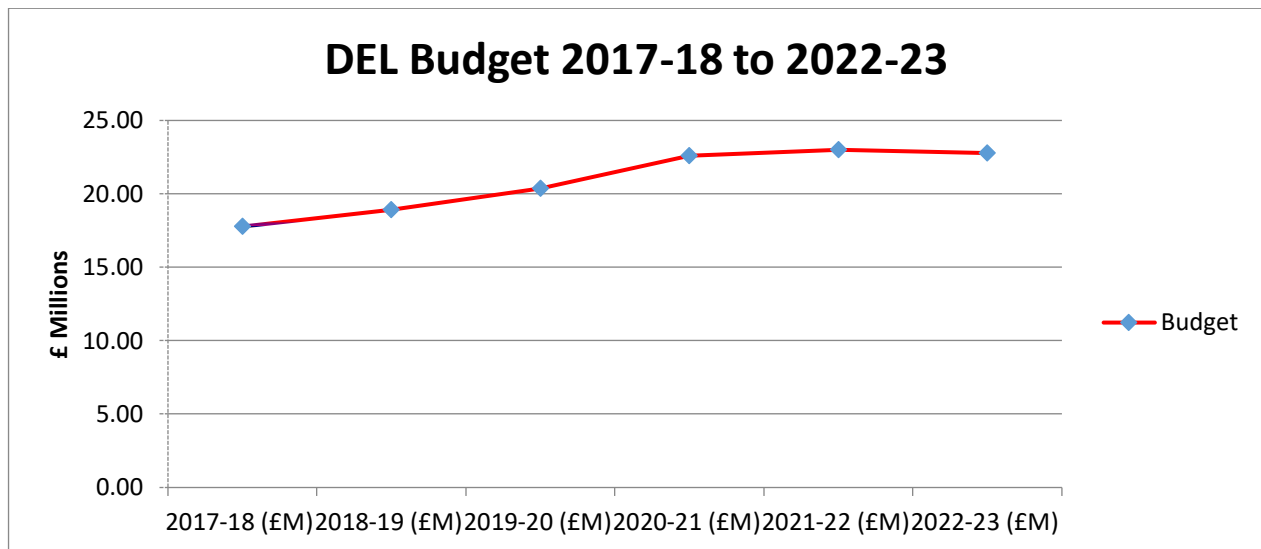
PBNI are to set targets for carbon reduction and identify works to bring all premises up to minimum average standard with through the roll out replacement of old oil-fired heating systems with gas appliances initially to freehold properties. The development of projects for thermal upgrades to freehold properties' building fabric and standard for lease business cases to include minimum level of energy efficiency, ensuring compliance with Better Business Case Guidance incorporating environmental and climate considerations.

A business improvement programme is being developed to contain ideas to reduce carbon emissions. PBNI will be identifying existing space standards and floor ratio per FTE and setting target floor ratio per FTE (resulting in agile policy). This will allow PBNI to implement areas for building reductions/reutilisations, including disposal of some of the 7 existing premises serving the greater Belfast area, and rationalise current Belfast city centre car parking provision.

PBNI is to develop a carbon awareness program, and support staff to undertake training, contribute to DoJ sustainability Group and share ideas internally. The PBNI Estates Team will use this to develop operational processes to minimise energy wastage in our assets.

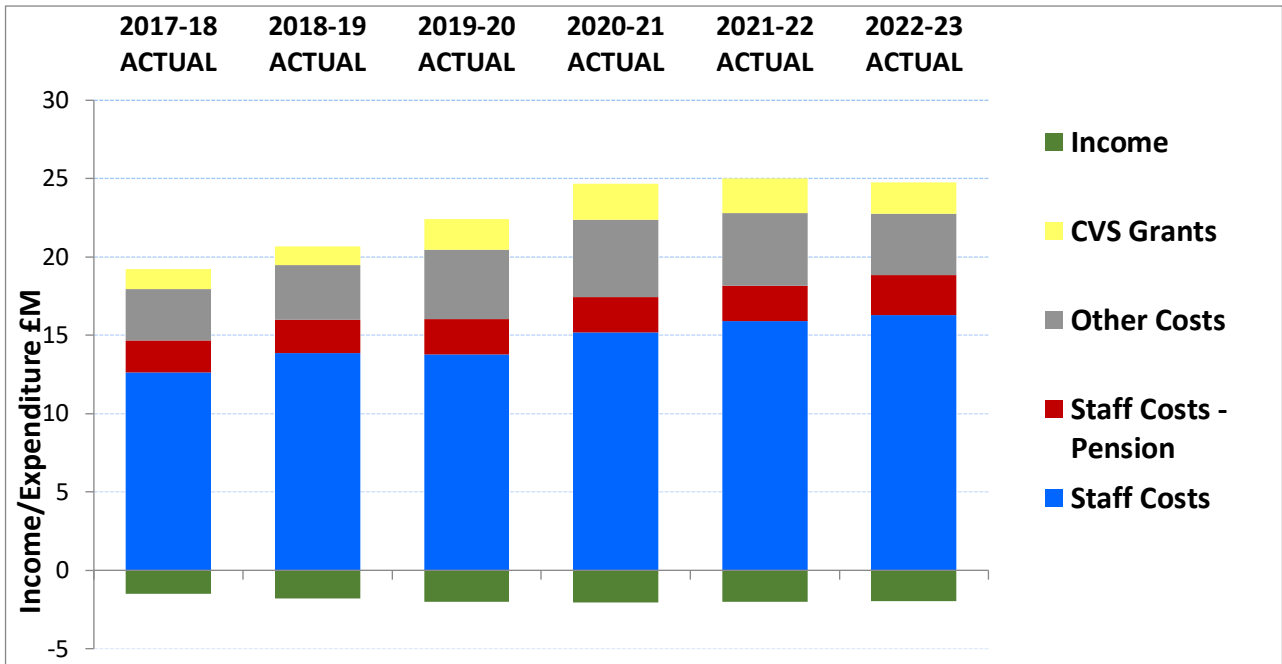
Long-term Expenditure Trends

The chart below captures the long-term summary budget profile of the PBNI budget over the financial years 2017-18 to 2022-23.



The chart above shows the final allocated budgets for 2017-18 to 2022-23. PBNI’s opening resource budget (excluding depreciation) for 2022-23 was £20,612k. Additional funding of £2,179k was granted in year to meet pressures, including those attributable to COVID-19, the Aspire and Engage programmes and Pay Modernisation. The final resource budget (excluding depreciation) was £22,791k.

The following chart shows the final PBNI resource budgets for 2017-18 to 2022-23, split by the major expense headings and income.



Amanda Stewart

Amanda Stewart OBE
Chief Executive
04 July 2023

THE ACCOUNTABILITY REPORT

THE ACCOUNTABILITY REPORT

Overview

The Accountability section of the Annual Report outlines how the Probation Board 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.

Corporate Governance Report

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

The corporate governance report includes:

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

Remuneration and Staff Report

This section sets out the Probation Board'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.

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

Chief Executive's Report

The Senior Executives

The Chief Executive is responsible for the day to day operation and performance of PBNI with the support of Directors and Heads of Department,

The PBNI Senior Executives who served during the year are as follows:

Ms A Stewart OBE	Chief Executive
Ms G Montgomery	Director of Operations (Community & Courts)
Mr S Hamilton	Director of Operations (Prisons, Programmes & Public Protection) - from 5 September 2022
Dr G O'Hare	Acting Director of Rehabilitation - until 31 October 2022
Mrs C Sweeney	Head of Human Resources & Organisational Development
Mr P King	Head of Finance & Estates
Mrs G McGreevy	Head of Communications

The Chief Executive is supported by the wider senior leadership team who meet monthly to address standing agenda items such as financial resourcing, operational management, health and safety and other emerging issues. The leadership team is supported by three operational sub committees- Operations; People, Culture & Resources; and Estates and IT.

The PBNI is governed by the Board. The Board Members are appointed on a fixed term of three years with the possibility of reappointment for a further period of three years. These appointments are made by the Minister of Justice in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board

Under The Probation Board (Northern Ireland) Order 1982, the Board shall consist of a Chair, a Deputy Chair and not less than 10 or more than 18 other members. Membership at 31 March 2023 stood at 13 (Chair and 12 other members).

Details of Board Members during 2022-23 are as follows:

The 13th Board Term of Office (from 1 March 2022):

Mr P Barnes MBE OLY	Member
Mr N Bodger	Member
Ms M Brunt	Member
Dr J Byrne	Member
Mr K Donaghy	Member
Mr B Ingram OBE	Member
Mr J Johnston CBE	Member
Dr M Keady	Member
Ms A Lloyd-Stevens	Member
Ms C Magee	Member
Ms B Mongan OBE	Member
Mr M Murray CBE	Board Chair
Ms E Patterson	Deputy Board Chair
Ms D Gilchrist**	Boardroom Apprentice
Mrs L Crothers**	Boardroom Apprentice

*Dr M Keady resigned as a member of the Probation Board NI in May 2023.

*Ms Gilchrist and Mrs Crothers are participants on the Boardroom Apprentice Scheme. Ms Gilchrist was assigned to the Probation Board in September 2021 for a period of one year, Mrs Crothers was assigned to the Probation Board in September 2022 for a period of one year. These members do not have any decision-making role on the Board or its Committees.

The Board's Audit and Risk Assurance Committee

The members of the current Audit and Risk Assurance Committee during 2022-23 are as follows:

Mr N Bodger	Chair (until February 2023)
Mr B Ingram	Chair (from February 2023)
Ms E Patterson	Member
Dr M Keady	Member
Mrs M Brunt	Member

Other attendees of the meetings included representatives from Internal Audit, External Audit and the Department of Justice as well as the Chief Executive of Probation, the Directors of Operations, the Head of Finance and the Board Secretary.

Registers of Interests

In accordance with the Probation Board's Code of Practice for Members, a Register of Members' Interests and a Register of Senior Management Interests are maintained for Board Members and Senior Management respectively. The Registers are available for inspection on the Probation Board's website and they are reviewed regularly. Note 17 to the Accounts provide details of any relevant related party transactions.

Personal Data Related Incidents 2022-23

The Probation Board continues to monitor and assess its information risks, in order to identify and address any weaknesses and ensure continuous improvement of its systems. Security of data and Incident Management is a critical activity for the Board. The Head of Communications reports on a monthly basis to Board about any data incidents. There were 26 localised data incidents in the reporting period, which were thoroughly investigated. None required reporting to the Information Commissioner's Office. One required reporting to the DoJ. Memoranda relating to the learning from the localised incidents were issued to all staff in respect of Information Assurance throughout the 2022-23 year.

In November 2022 the senior leadership team approved revised procedures on Data Protection Impact Assessments. A range of training on data protection has taken place including:

- In October 2022 a series of training videos developed by the ICO were made available via PBNI's intranet.
- In December 2022 a mandatory data protection training eLearning course was developed and issued to all PBNI staff.
- In February 2023 mandatory training was delivered to senior managers in respect of data sharing.

The Senior Information Risk Owner is the Chief Executive, Amanda Stewart OBE, who is responsible for providing the focus for the management of information risk. The SIRO is responsible for providing assurance that information risk is being managed appropriately and effectively across the organisation. Assistant Directors and Heads of Department across the organisation are Information Asset Owners who understand the information held across each of their business areas. PBNI holds an Information Asset Register and Information Asset Owners are regularly trained and responsible for updating the register. A training and awareness session on the role and responsibilities of information asset owners was held with the senior leadership team in February 2023. In January 2023 PBNI began the consultation on the development of a new Records Policy for the organisation.

In 2022-23 there were 52 subject access requests and FOIs responded to by the Compliance Unit of PBNI. Training on how to respond to subject access requests, was also delivered in March 2023 to Area Managers. A desk aid providing guidance on subject access requests was also provided to all staff. PBNI has been carrying out its own audit of the storage and retention of manual files across the organisation with a view to ensuring there is a minimum of manual files being held.

Complaints

As a public service, the Probation Board seeks to undertake its role and responsibilities in an open and transparent manner. Should there be occasions when someone wishes to express their dissatisfaction with the way the organisation has dealt with a particular matter, the PBNI Complaints Policy and supporting procedures can be used.

If a complainant remains dissatisfied at the end of the internal Complaints Procedure, they may refer the matter to the Northern Ireland Ombudsman for independent consideration.

Complaints received were primarily in respect of issues pertaining to the supervision and requirements of court orders and disputes about the contents of written reports and assessments.

During 2022-23, the Probation Board received 22 complaints, (2021-22: 20 Complaints), which represents an increase of 2 from the previous year. All complaints received were initially dealt with through local resolution, with the majority of complaints being resolved at this stage of the Complaints Procedures. Five complaints proceeded through to the formal investigation stage.

In 2022-23, PBNI began the consultation on a review of its Complaints Policy and Procedures which will be finalised in 2023-24.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Board has directed PBNI to prepare for each financial year a statement of accounts in the form and on the basis determined by the Department of Justice with the approval of the Department of Finance. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of PBNI 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 the Department of Finance including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis; and
- confirm that the Annual Report and Accounts as a whole are 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 of the DoJ has appointed the Chief Executive as the Accounting Officer for the PBNI. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Probation Board for Northern Ireland's assets are set out in Managing Public Money Northern Ireland.

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

GOVERNANCE STATEMENT

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control to support the achievement of the Probation Board's policies, aims and objectives as set out in our Corporate Plan and associated annual Business Plans, whilst safeguarding the public funds and assets for which I am directly responsible. This is carried out in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The Probation Board is a Non-Departmental Public Body sponsored by the Department of Justice; its statutory responsibilities are set out in the Probation Board (NI) Order 1982.

More recent legislation outlining Board responsibilities include the Criminal Justice (Northern Ireland) Orders 1996, 2005 and 2008, while the requirements of PBNI as a designated organisation of Policing and Community Safety Partnerships are contained in the Justice Act (Northern Ireland) 2011.

The Probation Board plays an important role at each of the key stages of the criminal justice process at court, in custody, in the community and with victims of crime. As an integral, effective part of the Criminal Justice System, the Probation Board helps to reduce levels of offending, prevent further victims of crime and also contributes to increasing community confidence in the Northern Ireland Criminal Justice System.

The work of PBNI is often complex, but can be summarised under five core elements:

- Ensuring sentence compliance
- Rehabilitation - challenging offending behaviours
- Reducing reoffending – by minimising harm
- Resettlement through promoting responsible citizenship
- Providing support to people who have offended: all Probation Officers are professionally qualified social workers.

In addition to its core responsibilities, PBNI undertook the following programmes in 2022-23: Enhanced Combination Order; Young Men’s Project - Aspire and a bespoke project for women – Engage; Problem Solving Justice – Substance Mis-Use Court and Domestic Violence Non-adjudicated programme. All the work conducted by PBNI seeks to reduce offending and make communities safer.

Purpose of the Governance Framework

The Probation Board’s governance framework sets out the arrangements for how the organisation is directed and controlled (incorporating behaviours, values, systems and processes) and how its responsibilities are discharged. It enables the setting of corporate objectives, the efficient deployment of resources towards the delivery of these priorities and monitoring of organisational performance. This governance framework is designed to manage risk to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives; therefore, it can only provide reasonable not absolute assurance of effectiveness.

The Governance Framework

(i) Sponsorship Arrangements

Within the Department of Justice, the Safer Communities Directorate is the Sponsoring Branch for PBNI. The Branch, in consultation as necessary with the Departmental Accounting Officer, is the primary source of advice and point of contact for PBNI. The Sponsoring Branch monitors PBNI’s activities on a continuing basis through an adequate and timely flow of information from PBNI on performance, budgeting, control and risk management. The Sponsor Branch in turn keeps PBNI informed of relevant Executive/Government policy, advising on interpretation and issuing specific guidance as necessary.

Twice a year, departmental officials meet with PBNI CEO and Head of Finance & Estates to review performance. The Board Chair directly reports to the Minister of Justice (or the Permanent Secretary if no Minister in place) on PBNI performance on an annual basis.

A Management Statement and Financial Memorandum (MSFM) document is in place between the Probation Board and Department of Justice. This document was reviewed and updated in 2018. The Management Statement sets out the broad framework within which PBNI will operate, in particular:

- PBNI's overall purpose, objectives and targets in support of the DoJ's wider strategic aim(s) and the outcomes and targets contained in its current Public Service Agreement;
- The rules and guidelines relevant to the exercise of PBNI's functions, duties and powers;
- The conditions under which any public funds are paid to PBNI; and
- How PBNI is to be held to account for its performance.

The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which PBNI shall observe. It is intended to develop a Partnership Agreement between the Probation Board and DoJ to replace MSFM, however the impact of COVID-19 has delayed this.

(ii) The Board

The Probation Board for Northern Ireland is governed by its Board Members. The Board Members are appointed on a fixed term of three years with the possibility of reappointment for a further period of three years. These appointments are usually made by the Minister of Justice in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility for leading and providing the strategic direction for the organisation including, developing the Corporate and Business Plans, taking account of government policies, aims and objectives; monitoring the organisation in the effective and efficient performance of its statutory duties, and ensuring PBNI complies with statutory requirements for the use of public monies.

In terms of governance oversight, the Board has a specific responsibility, outlined in the Management Statement, to:

‘...ensure that any statutory or administrative requirements for the use of public funds are complied with; that PBNI operates within the limits of its statutory authority and any delegated authority agreed with the DoJ, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, PBNI takes into account all relevant guidance issued by Department of Finance (DoF) and DoJ.’

The Management Statement requires all Board members to:

- comply at all times with the Code of Practice & Conduct;
- not misuse information gained in the course of their public service for personal gain or political profit; and to declare publicly and to the Board any private interests that may be perceived to conflict with their public duties;
- comply with PBNI rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of PBNI.

With regard to possible conflicts of interest, Board Members annually complete a Register of Interests as set out on page 43. At the preliminary stages of each Board and Committee meeting, Members are also asked whether they have any conflicts of interest to declare, and this is recorded in the minutes.

Members each have a corporate and collective responsibility to ensure that the Board properly discharges its functions. In doing so, each member is required to spend a minimum of 2 days per month on PBNI matters. Members are required to perform a representative role on behalf of the Board at meetings and events and attend PBNI meetings and meetings of those committees to which they have been allocated.

The Board meets on a monthly basis to discuss and oversee matters of strategic significance, as set out in the Standing Orders and MSFM. Each meeting was quorate and the table on page 53 provides details of the number of meetings attended by respective Board members in the course of the year.

There are three committees of the Board; the Audit and Risk Assurance Committee, the Corporate Resources Committee and the Policy and Practice Committee. The Board's Standing Orders also provide for a Remuneration Committee and an Emergency Committee. Meetings of each are convened as required.

(iii) Audit and Risk Assurance Committee

In accordance with the Management Statement, PBNI has established an Audit and Risk Assurance Committee independent of the organisation's structure. The Department of Justice and representatives from both PBNI Internal and External Auditors attend the Committee's meetings. The responsibilities of the Audit and Risk Assurance Committee include:

- Advising the Board and Accounting Officer on the effectiveness of the risk management, control and governance arrangements;
- Review of the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation;
- Review of the Annual Report and Statutory Accounts including the Governance Statement before submission to the Board;
- Review of the planned activity and reports from the Internal and External auditors;
- Review of the adequacy of the policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements as issued by the sponsoring department and Government departments; and
- Monitoring of the implementation of agreed audit-based recommendations.

(iv) Corporate Resources Committee

The purpose of the Committee is to provide assurance that the appropriate arrangements in respect of Financial Management, Human Resources, Estates Management and Information Technology are in place for the delivery of the Board's strategic objectives, as set out in the Corporate Plan 2020-23. The Committee sat five times during the year.

(v) Policy and Practice Committee.

The purpose of the Committee is to provide assurance that PBNI has the appropriate policies in place, aligned with best practice exercised by the professional staff, to meet the strategic priorities, as set out in the Corporate Plan 2020-23. The Committee sat five times during the year.

(vi) Remuneration Committee

The Remuneration Committee comprises the Board Chair, the Chairs of the Corporate Resources and Policy and Practice Committees and other members of the Board. The role of the Remuneration Committee is to assist in assessing the performance of the Chief Executive and to deal with any performance pay issues at Director level and some other HR issues. The Board's Remuneration Committee met twice during the year.

(vii) Emergency Committee

The Board's Emergency Committee was not required during the year.

(viii) Special Board Meeting

There were no Special Board Meetings during the year.

The attendance of Board Members at the Board and PBNI Committee meetings during the reporting period is provided in the table below.

Board Member		Board Attendance	Audit & Risk Assurance Attendance	Corporate Resources Attendance	Policy and Practice Attendance
Mr P	Barnes	N/A			N/A
Mr N	Bodger	6/11	4/4*		
Ms M	Brunt	11/11	4/5		
Dr J	Byrne	10/11			4/4
Mr K	Donaghy	10/11		5/5	
Mr B	Ingram	10/11	4/5	5/5	
Mr J	Johnston	10/11		5/5	
Mr M	Keady	11/11	4/5		
Ms A	Lloyd-Stevens	11/11			3/4
Ms C	Magee	9/11		5/5	3/3**
Ms B	Mongan	11/11			4/4
Mr M	Murray	11/11		3/3***	2/2***
Ms E	Patterson	11/11	5/5		

* Mr Bodger served on the Committee until 31 January 2023

** Ms Magee served on the Committee from 5 August 2022

*** Mr Murray attended as an Ex-Officio member

PBNI participates in the Boardroom Apprentice Scheme. During the 2022-23 year, PBNI had two participants Ms Gilchrist and Mrs Crothers. They were assigned to the Probation Board in September 2021 and September 2022 respectively for a period of one year. Ms Gilchrist and Mrs Crothers do not have any decision-making role on the Board or its Committees.

(ix) The Accounting Officer

As the Chief Executive of PBNI, I am designated as PBNI's Accounting Officer by the departmental Accounting Officer of the DoJ. As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of PBNI.

As Accounting Officer, my principal responsibilities are to ensure that the Probation Board and its Committees are fully supported in developing and promoting a programme of work consistent with its founding legislation; and the Northern Ireland Executive's draft Programme for Government and the Northern Ireland Executive's Fresh Start Agreement Action Plan.

On a six-monthly basis, I, as Accounting Officer, provide stewardship statements to the Department of Justice Accounting Officer, based on receipt of appropriate assurance from the Directors & Heads of Departments.

(x) Internal Audit Arrangements

DoJ's Internal Audit provided the internal audit services within PBNI. The Audit & Risk Assurance Committee, on behalf of the Board, receives internal audit reports and approves management responses to recommendations arising from such reports.

There is a Service Level Agreement in place between DoJ Internal Audit and PBNI, which the heads of both organisations have signed. It sets out the terms of the internal audit service. Five reviews were carried out by internal audit during 2022-23 on; PBNI Non-Current Assets, Travel & Subsistence Clients, Payroll, Health & Safety and Estates Management Leases.

(xi) External Audit Arrangements

The Northern Ireland Audit Office (NIAO) is the Probation Board's external auditor. The NIAO does not provide any other non-audit services.

(xii) Criminal Justice Inspection Northern Ireland (CJINI)

The range of statutory functions and performance of Probation Board is subject to independent inspection by Criminal Justice Inspection Northern Ireland. PBNI fully participates in both organisation specific and thematic reviews to transparently account for its performance.

Risk Management and Internal Control

As Accounting Officer, I ensure that the Probation Board manages risk at all levels in the organisation. PBNI has Risk Management Procedures and Guidance in place which is available on PBNI's Intranet, making it readily available to all staff. This document outlines PBNI's approach to identifying and managing risks which threaten the achievement of the organisation's objectives. It also highlights the roles and responsibilities of the Board and staff in managing risks. PBNI's approach to risk management is governed by other formal documents such as the MSFM, as well as Dear Accounting Officer letters issued by the DoF.

The Strategic Risk Register was reviewed and updated by senior management on a quarterly basis. These updates were then considered by the Board's Audit and Risk Assurance Committee before being recommended to the Board of PBNI for final approval on a quarterly basis. Further details on the risks are set out on page 13.

PBNI Senior Leadership team review PBNI's Strategic Risk Register quarterly, consider escalation / de-escalation of risks between the departmental and strategic risk registers and conducts 'horizon scanning' for emerging risks.

A review of the Risk Management Policy is ongoing including details of the PBNI approach to Risk Management and the form and content of Corporate and Departmental Risk Registers.

Review of the Effectiveness of the Governance Framework

(i) Provision of information and data to the Board

Board Meeting agendas and papers are circulated a week in advance to provide sufficient time and evidence for sound decision-making. Agendas are planned, as set out in the Standing Orders, on the basis of an annual Board Work plan, to ensure that all areas of the Board's responsibilities are examined during the year. Monthly Board Meetings include consideration of the following standing agenda items:

- Chair's report, to include Chair's engagements;
- Chief Executive's report, to include engagements and key issues;
- Committee Reports (where applicable);
- Monthly Financial Outturn;
- Management Information, including workforce information, caseload statistics, sick absence and updates on IT and communications; and
- Policy Development and Reviews.

The quality of information issued to the Board is kept under review to ensure that the Board's discussions and decisions are effective. All documents for meetings are held and distributed electronically to members and service officials.

Audit and Risk Assurance Committee (ARAC) standing agenda items include:

- Review of the Strategic Risk Register;
- Review of Internal Audit Reports;
- Audit Control Log/Internal Audit/CJINI/NIAO Recommendations;
- CJINI Inspection Reports;
- DoF Circulars, Dear Accounting Officer (DAO) and Dear Finance Director (DFD) letters; and
- Fraud Update.

(ii) Board Effectiveness

The Board was reconstituted in March 2022 and members, chairs and vice-chairs appointed to each of the 3 standing Committees. For the Board to perform effectively it was necessary to ensure that the members had the knowledge, information, and skills that they needed. A programme of induction and Board development was put in place to support this involving site visits, presentations from staff and key partners, training and a number of Board development days.

A skills audit was completed linked to governance requirements, as well as the elements of the new Corporate Plan to ensure that the Board has the requisite skills and experience to enable the member's individually and the Board collectively to perform their roles. A matrix of development needs has been compiled and is being actioned.

The Board kept under review the effectiveness of the current governance arrangements and held an effectiveness workshop in January 2023 taking into consideration the NIAO's 'Board Effectiveness Review' published in May 2022. This workshop was used to define the Board's priorities to tie in with the draft Corporate Plan 2023-26. The Board agreed a new meeting structure to allow for themed meetings linked to the four strategic areas in the Corporate Plan. Duplication of work across the Committees and the Board was also identified and to address this a review of the Committees Terms of Reference and the Scheme of Delegation is ongoing. The Board's role in relation to risk management is also being looked at.

(iii) Compliance with the Corporate Governance Code of Good Practice

In accordance with the Corporate Governance Code of Good Practice, a MSFM is in place between the Department of Justice and PBNI, which sets out the framework within which PBNI operates. The Board's Code of Conduct and Practice for Members was updated in December 2022 in line with the Code of Conduct for Board Members of Public Bodies from the Department of Finance.

(iv) Ministerial Directions

There were no Ministerial Directions sought or issued during 2022-23.

(v) Highlights of the PBNI Board and Committee Reports

The standing agenda items for PBNI Board meetings have been listed above. In addition, the Board considered and approved the following items in 2022-23.

Policies Approved in the 2022-23 year

- Whistleblowing Policy; and
- Code of Conduct for Board Members.

Quarterly / Annual Reports - Approved in the 2022-23 year

- Board Annual Report Submission;
- Q4 Strategic Risk Register 2021-22;
- Draft Strategic Risk Register – 2022-23;
- Draft Annual Report and Accounts 2021-22;
- Sickness Absence Year End Report;
- Year-end Accounts for 2021-22;
- Q4 Business Plan 2021-22;
- Q1 Business Plan 2022-23;
- Q1 Strategic Risk Register 2022-23;
- Q2 Strategic Risk Register 2022-23;
- Q2 Business Plan 2022-23;
- Q3 Strategic Risk Register; and
- Q3 Business Plan 2022-23.

Quarterly / Annual Reports - Noted in the 2022-23 year

- Pension Valuations and Assumptions;
- Review of PBNI Audit Strategy;
- 2021-22 Year End Annual Caseload;
- Stewardship Statement;
- Deaths under supervision annual report;
- Good Relations and Equality Report;
- Q1 2022-23 Caseload Statistics;
- Q2 2022-23 Caseload Statistics;
- SFO Annual Report;
- Report to Those Charged with Governance;
- Q3 2022-23 Caseload Statistics;
- Q4 2022-23 Annual Caseload Report;
- Balanced Budget Paper 2022-23;
- Criminal Justice Trends; and
- Reoffending Report.

(vi) Achievements

During the year 2022-23, PBNI received **satisfactory assurance** on all five scheduled internal audit reports. PBNI is working towards implementing all the recommendations from these reports.

PBNI has a Whistleblowing policy in place, designed to provide employment protection for individuals raising genuine public interest concerns. The policy provides information for staff on how to raise concerns about malpractice safely, builds confidence and promotes an environment of openness and transparency.

Significant Internal Control Issues

Effective governance arrangements and oversight are maintained to ensure appropriate and timely responses to such issues that arise. During the year no significant internal control issues were noted.

Internal Auditor Statement on Assurance

In their Annual Assurance Report, the Probation Board's Internal Auditors reported that, on the basis of findings from work undertaken in 2022-23 and in previous years, the risk management, internal control and governance arrangements within PBNI are "satisfactory".

Accounting Officer Statement on Assurance

This Governance Statement has been reviewed and accepted by both the Audit and Risk Assurance Committee and the Board. I can provide satisfactory assurance on the effectiveness of the Probation Board's internal control environment. I confirm that an action plan to ensure continuous improvement to the systems is on-going. It is evidenced by the programme of work undertaken by the Audit and Risk Management Group, the Senior Leadership Team and the Audit and Risk Assurance Committee and this work will continue in 2023-24.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration Policy

Board Members

The Chairman and other members of the Board are appointed by the Minister of Justice, in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”. The DoJ determines the emoluments of the Chairman and Members.

Senior Executives

The Senior Executives of the Probation Board are employed by the Probation Board under terms and conditions of employment that are contained in collective agreements reached under the auspices of the Standing Committee for Probation Chief Officer Grades (England and Wales). The parties to the Standing Committee are the Probation Association, the National Probation Directorate, the General, Municipal, Boilermakers’ and Allied Trade Union Society of Chief Officers of Probation (GMB-SCOOP) and the National Association of Probation Officers (NAPO).

Implementation of any agreement within the Probation Board is subject to the approval of the DoJ, given with the consent of the DoF.

In reaching its recommendations, the parties to the Standing Committee have worked together to:

- Ensure that the pay system is fit for purpose and leads to higher quality service delivery;
- Develop a fair and transparent pay and conditions structure which has the confidence and support of employees, employers and trade unions;
- Assist the goal of building an excellent organisation with the right number of employees with the right skills and diversity, and organised in the right way;

- Encourage working patterns which enable employees to achieve an acceptable balance between work and their private life;
- Improve quality and availability of training and development opportunities to enhance service delivery and meet reasonable aspirations of employees;
- Meet equal pay for work of equal value criteria, recognising that pay can be any benefit in cash or conditions;
- Ensure implementation of new pay and conditions arrangements fairly and consistently across the service;
- Ensure that the implementation of new pay and conditions arrangements is within financial and other constraints; and
- Ensure as far as possible that staffing and other resources are commensurate with workload.

Service Contracts

Appointments in the Probation Board are made in accordance with the Probation Board's Equal Opportunities Policy and with reference to the Equality Commission's Advice and Guidance. Unless otherwise stated, the officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the relevant Probation Board policies.

Board Remuneration Committee

The Board has established a Remuneration Committee consisting of the Board Chair, Deputy Chair, the Chairs of the Corporate Resources and Policy and Practice Committees and other members as the Board may appoint. The role of the Remuneration Committee is to assist in assessing the performance of the Chief Executive and to deal with any performance pay issues at Director level and some other HR issues.

Salary and Pension Entitlements

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

Remuneration – Senior Executives

[AUDITED INFORMATION]

Name & Post	Salary (£'000)		Bonus (£'000)	Payments	Benefits in Kind (to nearest £100)		Pension Benefits * (to nearest £1,000)		Total £'000	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Ms A Stewart OBE <i>Chief Executive</i>	85-90	40-45 (Full year Equivalent 85-90)	-	-	200	100	27	14	115-120	55-60
Dr G O'Hare <i>Acting Director of Rehabilitation (until 31 October 2022)</i>	40-45 (Full year Equivalent 70-75)	75-80	-	-	100	100	(17)	28	25-30	105-110
Ms G Montgomery <i>Director of Operations</i>	75-80	65-70 (Full year Equivalent 70-75)	-	-	100	100	(8)	73	60-65	140-145
Mr S Hamilton <i>Director of Operations (from 5 September 2022)</i>	40-45 (Full year Equivalent 70-75)	-	-	-	100	-	-	-	40-45	-
Ms C Sweeney <i>Head of Human Resources</i>	55-60	55-60 (Full year Equivalent 60-65)	-	-	100	100	(24)	58	35-40	110-115
Mr P King <i>Head of Finance</i>	55-60	20-25 (Full year Equivalent 55-60)	-	-	100	-	18	8	75-80	30-35
Mrs G McGreevy <i>Head of Communications (Senior Executive from 1 April 2023)</i>	65-70	-	-	-	100	-	(17)	-	50-55	-

*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 or any increase or decreases due to a transfer of pension rights.

Salary

'Salary' includes gross salary; overtime; recruitment and retention 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 employer and treated by HM Revenue and Customs as a taxable emolument. Those detailed in the table above relate to mileage expenses paid to senior managers in the Probation Board in line with National Negotiating Council for the Probation Service terms and conditions. These are higher than the amount allowable for tax (45p per mile) and are reported to the Inland Revenue as a taxable emolument.

Bonuses

Bonuses are based on performance levels attained in accordance with Standing Committee for (Probation) Chief Officer Grades (SCCOG) Terms and Conditions and are made as part of the appraisal process. No bonuses have been paid to current senior Executives.

Board Members Remuneration and Expenses

The Chairman and Board Members receive remuneration and expenses. The Board Members are appointed for a fixed term of 3 years. The Chairman's remuneration is £33,010 per annum payable at a monthly rate of £2,750.83. Board Members receive remuneration of £5,050 per annum payable at a monthly rate of £420.83. The Chairman and the Board Members are not members of the Probation Board's pension scheme.

Full details of Board Members' remuneration and expenses are in the following table.

[AUDITED INFORMATION]

The 13th Board Term of Office

Name	Role	£'000
Mr P Barnes MBE OLY	Member	5-10
Mr N Bodger	Member	5-10
Ms M Brunt	Member	5-10
Dr J Byrne	Member	5-10
Mr K Donaghy	Member	5-10
Mr B Ingram OBE	Member	5-10
Mr J Johnston CBE	Member	5-10
Dr M Keady	Member	5-10
Ms A Lloyd-Stevens	Member	5-10
Ms C Magee	Member	5-10
Ms B Mongan OBE	Member	5-10
Mr M Murray CBE	Board Chair	30-35
Ms E Patterson	Deputy Board Chair	5-10
Ms D Gilchrist*	Boardroom Apprentice	-
Mrs L Crothers	Boardroom Apprentice	-

The above figures include home to office mileage payments which are taxed at source.

Fair Pay Disclosure [AUDITED INFORMATION]

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

The table below sets out the details:

	2022-23	2021-22
Band of the Highest Paid Directors Remuneration	85-90,000	85-90,000
Median		
Total Pay and Benefits	32,666	32,666
Salary Component	32,666	32,666
Ratio	2.68	2.68
25th Quartile		
Total Remuneration	26,575	26,024
Salary Component	26,575	26,024
Ratio	3.29	3.36
75th Quartile		
Total Pay & Benefits	37,331	37,311
Salary Component	37,331	37,311
Ratio	2.34	2.35

The ratios regarding the highest paid director have remained consistent with 2021-22. PBNI believes the median pay ratio for 2022-23 is consistent with the pay, reward and progression policies for the entity's employees taken as a whole.

The salary and allowances of the highest paid director have remained static from 2021-22 (14.6% decrease in 2021-22), and there were no performance pay and bonuses paid in 2022-23 (100% decrease in 2021-22). The average salary and allowances for the PBNI workforce has increased marginally by 2.1% in 2022-23 (11.1% increase in 2021-22) owing to a decrease in overall staff. No performance pay or bonuses were made to PBNI staff in either 2021-22 or 2022-23.

In 2022-23, no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £20,000 to £88,000 (2021-22: £20,000 to £88,000).

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

Pension Benefits [AUDITED INFORMATION]

Name & Title	Accrued pension at pension age as at 31/3/23 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/23 £'000	CETV at 31/03/22 £'000	Real increase in CETV £'000
Ms A Stewart OBE Chief Executive	0-5	0-2.5	33	10	14
Dr G O'Hare <i>Acting Director of Rehabilitation</i>	30-35 plus lump sum of 35-40	(0-2.5) plus lump sum (0-2.5)	500	485	(17)
Ms G Montgomery <i>Director of Operations</i>	20-25 plus lump sum of 15-20	(0-2.5) plus lump sum (0-2.5)	253	228	(5)
Mr S Hamilton <i>Director of Operations</i>	20-25 plus lump sum of 15-20	0-2.5 plus lump sum (0-2.5)	267	265	(1)
Mrs C Sweeney <i>Head of Human Resources</i>	20-25 plus lump sum of 25-30	(0-2.5) plus lump sum (2.5-5.0)	426	397	(16)
Mr P King <i>Head of Finance</i>	0-5	0-2.5	16	5	6
Mrs G McGreevy <i>Head of Communications</i>	20-25	(0-2.5)	285	261	(8)

Pensions

The Probation Board is an Employing Authority within the scheme provided by the Local Government Pension Scheme (NI). Membership of the scheme is optional for employees, but in practice almost all staff opt into this pension provision arrangement.

All PBNI staff contribute a % of remuneration, dependent on the level of that pensionable remuneration. The bandings for 2022-23 were as follows:

Contribution Rates

Band Range	Contribution Rate
Up to £15,000	5.5%
£15,001 - £23,000	5.8%
£23,001 - £38,400	6.5%
£38,401 - £46,600	6.8%
£46,601 - £92,300	8.5%
More than £92,300	10.5%

The employer’s contribution is determined by the Committee’s Actuary every three years and for 2022-23 year was 19.5% of remuneration.

Pension benefits are provided through the Local Government Pension Scheme (NI). This is a committee-based scheme open to all permanent and temporary staff aged over 16 and provides benefits on a career average revalued earnings basis. Prior to 1 April 2015, pension benefits were provided on a final salary basis. Any membership built up to 31 March 2009 will provide an annual pension based on 1/80th of the final year’s pensionable pay and an automatic tax-free lump sum of three times the pension. Membership built up after 31 March 2009 but before 31 March 2015 will provide an annual pension based on 1/60th of the final year’s pay. There is still the option to convert annual pension to lump sum subject to HMRC limits.

Membership built up from 1 April 2015 will provide an annual pension based on 1/49th of the annual pensionable pay. This new pension scheme is a career average scheme.

On death, pensions are payable to the surviving spouse for a short-term period of 3 months payable at the rate of the member’s pensionable remuneration at the date of death. Provided that the deceased member had statutory pension entitlement this is followed by a long-term pension which is payable for life. The calculation is 50% of the deceased’s benefits had they taken early retirement. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse’s pension.

The Local Government Pension Scheme (NI) is a multi-employer defined benefit scheme. The Probation Board's contributions are affected by a surplus or deficit in the scheme. The most recent full actuarial valuation was completed as at 31 March 2019. An employer contribution rate of 19.5% is in place for 2021-22 and 2022-23. The completion of the triennial valuation has set the employer contribution rate at 19.0% for 2023-24 to 2025-26. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Cash Equivalent Transfer Value (CETV)

This 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 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of purchasing additional years of pension service in their 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 reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The Real Increase in the Value of the CETV

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

Compensation for Loss of Office (AUDITED INFORMATION)

There were no compensation benefits paid by PBNI during this financial year (Nil in 2021-22).

STAFF REPORT

Staff Costs (AUDITED INFORMATION)

Staff costs are captured in the table below:

			2022-23 £'000	2021-22 £'000
	Permanently Employed Staff	Others	Total	Total
Wages and salaries	14,362	752	15,114	13,536
Social security costs	1,355	-	1,355	1,425
Other pension costs	5,619	-	5,619	6,346
Sub Total	21,336	752	22,088	21,307
Less recoveries in respect of outward secondments	(88)	-	(88)	(156)
Total net costs	21,248	752	22,000	21,151
Of which:	Charged to Programme	Charged to Others	Total	
PBNI	21,248	752	22,000	
Total net costs	21,248	752	22,000	

The average number of staff employed by the Probation Board during 2022-23 was as follows:

(AUDITED INFORMATION)

	Permanently Employed Staff	Others	Total 2022-23	Total 2021-22
Directly Employed	393	18	411	415
Other		16	16	21
Staff engaged on Capital Projects				
Totals	393	34	427	436

Employees (AUDITED INFORMATION)

The breakdown of Full Time Equivalent (FTE) employee group by gender at 31 March 2023 is as follows:

Employee Group	Number of FTE employees at 31 March 2023		
	Female	Male	Total
Chief Executive/Directors	2.00	1.00	3.00
Senior Managers (other than Directors)	7.00	1.00	8.00
Permanent employees	262.64	86.46	349.10
Temporary employees (Agency & Fixed Term)	19.00	13.00	32.00
Totals	290.64	101.46	392.10

Agency workers filled vacant essential established posts created by leavers and maternity leave and were also used to fill temporary posts created by temporary programmes.

Staff Turnover

The table below shows details of staff turnover in 2022-23:

	Number of Staff at beginning of period	Leavers	Staff turnover (%)
Senior Management	12	2	16.7
Probation Grade	323	41	12.7
Corporate Admin	42	5	11.9
Operational Support	45	4	8.9
Total	422	52	12.3

Sickness Absence Data

The average number of sick absence days per employee for the 2022-23 year was 13.1 days, whereas the average sick absence days per employee for 2021-22 was 11.5 days. Details of sickness absence by business area, gender and Grade Level are as follows:

Business Area

The number of days lost per staff year varied from 0.0 to 21.1 days.

Gender

On average, females (14.6 days) had a higher level of absence than males (8.0 days).

Due to there being a smaller proportion of males than females in PBNI, females accounted for 11.2 days of the 13.1 days lost overall.

Grade Level

Lowest Grade: Probation Officer, 15.7 days lost per staff year.

Highest Grade: Senior Management Team, 0.0 days lost per staff year.

The reduction of sickness absence levels must be a priority for the Probation Board in 2023-24.

Reason for Absence

The largest proportion of working days lost was due to Anxiety/Stress/Depression/Other Psychiatric Illnesses, which accounted for 37.3% of absence (36.7% in 2021-2022).

Staff Engagement

The Probation Board maintains arrangements for regular and meaningful engagement with staff throughout the year. This is achieved through a variety of fora: there were 5 Town Hall events during 2022/2023, with average attendance around 75 staff, and peaking at between 95 and 100 staff; we have monthly newsletters; regular intranet updates; and a wellbeing action plan which caters for the diverse needs and interests of our staff.

PBNI supports engagement with Trade Unions through a Joint Negotiating and Consultative Committee and Health and Safety Committee which comprise of management representatives and members of NAPO (the Trade Union, Professional Association for Probation and Family Court staff) and NIPSA (the Northern Ireland Public Service Alliance). Both committees meet regularly.

PBNI's Senior Leadership team was reviewed during 2022-2023 and new arrangements put in place to ensure that the leadership team expanded to include Chief Executive, Directors and Assistant Directors.

During 2022-23, PBNI continued work started in the previous year, to improve on organisational culture. This work included the engagement activities and revision of the leadership team.

In addition, several key policies prioritised for review, such as how PBNI manage Serious Further Offences and Mobility. In addition, PBNI introduced a hybrid working arrangements as a pilot project.

The work around hybrid arrangements will continue into 2023-24 when the results of the review of the effectiveness of Hybrid Working arrangements will be considered by PBNI's Board.

Equal Opportunity Policy Statement

PBNI has an Equal Opportunity Policy to ensure that, during the course of their employment, no employee will receive less favourable treatment or be discriminated against on the grounds of their sex including gender reassignment, pregnancy or maternity leave, marital or civil partnership status, sexual orientation, race or ethnic origin, religious belief, political opinion, national identity, age or disability.

PBNI is opposed to all forms of unlawful and unfair discrimination. All job applicants, employees and others who work for us will be treated fairly and will not be unlawfully discriminated against (either directly or indirectly) or receive less favourable treatment on any of the above grounds. Decisions about recruitment and selection, promotion, training or any other benefit will be made on an objective basis and without unlawful discrimination.

PBNI is an equal opportunities employer and welcomes applications for employment from all suitably qualified candidates.

PBNI is committed to:

- giving full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities;
- continuing the employment of, and for arranging appropriate training for, employees who have become disabled during their period of employment with PBNI; and
- providing appropriate training, career development and promotion of disabled employees.

Equality and Diversity

Section 75 of the Northern Ireland Act 1998 places a statutory duty on the PBNI to have due regard to the promotion of equality and good relations internally and externally. PBNI's Equality Scheme was written following public consultation and approved by the Equality Commission for Northern Ireland in March 2012 and republished in August 2017. This five-year scheme contains commitments to engagement with our consultees and the mainstreaming of equality into our corporate business planning processes.

PBNI has also published its Equality Action Plan designed to promote greater equality of opportunity and better community relations in the delivery of our service.

Off-payroll engagements and Exit Packages (AUDITED INFORMATION)

PBNI did not have any off-payroll engagements or exit packages during the 2022-23 financial year.

Consultancy

PBNI did not incur any expenditure on consultancy during the 2022-23 financial year.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT (AUDITED INFORMATION)

Losses and Special Payments

There were no losses nor special payments made by the Board in 2022-23 (zero in 2021-22).

Fees and Charges

PBNI carries out statutory services in Prisons for the provision of social welfare services in prisons and young offenders' centres as set out in the Probation Board (Northern Ireland) Order 1982. PBNI charge the Northern Ireland Prison Service (NIPS) for this service. The charge is full cost recovery as agreed in a Service Level Agreement. PBNI received £1,134k in income from NIPS in 2022-23 (£1,134k in 2021-22).

Remote Contingent Liabilities

PBNI has no remote contingent liabilities to report at 31 March 2023 (zero in 2021-22).



Amanda Stewart OBE

Chief Executive

04 July 2023

PROBATION BOARD FOR NORTHERN IRELAND

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

Opinion on financial statements

I certify that I have audited the financial statements of the Probation Board for Northern Ireland for the year ended 31 March 2023 under the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. 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. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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 Probation Board for Northern Ireland's affairs as at 31 March 2023 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 Probation Board for Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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

In auditing the financial statements, I have concluded that the Probation Board for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Justice directions made under the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Probation Board for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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's guidance.

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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing the Probation Board for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Probation Board for Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Probation Board for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on the Probation Board for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Probation Board for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, testing of journal entries, discussing regularity with management, reading internal audit reports and review of legal provisions;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

6 July 2023

FINANCIAL STATEMENTS 2022-23

FINANCIAL STATEMENTS 2022-23

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2023

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

	Note	2022-23 £'000	2021-22 £'000
Revenue from contracts with customers	4	(1,134)	(1,134)
Other Operating Income	4	(854)	(879)
Total Operating Income		<u>(1,988)</u>	<u>(2,013)</u>
Staff Costs	2	22,088	21,307
Purchases of goods and services	2	3,998	4,197
Depreciation and Amortisation charges	5&6	982	528
Provision Expense	12	100	-
Other Operating Expenditure	3	1,897	2,028
Total Operating Expenditure		<u>29,065</u>	<u>28,060</u>
Net Operating Expenditure		<u>27,077</u>	<u>26,047</u>
Finance Income		(2)	(3)
Finance Expense		694	826
Net expenditure for the year before Taxation		<u>27,769</u>	<u>26,870</u>
Corporation Tax Payable		-	23
Net expenditure for the year after Taxation		<u>27,769</u>	<u>26,893</u>
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
Net gain on revaluation of Property, Plant and Equipment.	5	(52)	(28)
Net gain on revaluation of Intangible Assets	6	-	-
Actuarial (gain)/loss on Pension Scheme	11.7	(30,136)	(19,011)
Comprehensive net expenditure for the year		<u>(2,419)</u>	<u>7,854</u>

All amounts above relate to the continuing activities of the PBNI.

The notes on pages 88 to 125 form part of the accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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

	Note	31 March 2023 £'000	31 March 2022 £'000
Non-current assets:			
Property, plant and equipment	5	3,624	2,204
Intangible assets	6	1,246	1,298
Financial assets	19	11	9
Total non-current assets		<u>4,881</u>	<u>3,511</u>
Current assets:			
Assets classified as held for sale	7	-	-
Trade and other receivables	9	193	216
Financial assets	19	8	11
Total current assets		<u>201</u>	<u>227</u>
Total assets		<u>5,082</u>	<u>3,738</u>
Current liabilities:			
Cash and cash equivalents	8	(297)	(487)
Trade and other payables	10	(4,345)	(2,610)
Provisions	12	(100)	-
Total current liabilities		<u>(4,742)</u>	<u>(3,097)</u>
Total assets less current liabilities		<u>340</u>	<u>641</u>
Non-current liabilities			
Pension liabilities	11.3	(164)	(26,325)
Other payables	14.2	(865)	-
Total non-current liabilities		<u>(1,029)</u>	<u>(26,325)</u>
Total assets less liabilities		<u>(689)</u>	<u>(25,684)</u>
Taxpayers' equity and other reserves			
General Reserve		(1,163)	(26,149)
Revaluation reserve		474	465
Total Taxpayers' Surplus / (Deficit)		<u>(689)</u>	<u>(25,684)</u>

The notes on pages 88 to 124 form part of the accounts. The financial statements on pages 83 to 125 were approved by the Board and were signed on its behalf by:



Amanda Stewart OBE
Chief Executive
 04 July 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the PBNI during the reporting period. The statement shows how PBNI 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 PBNI. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the PBNI's future public service delivery.

	Note	£'000	2022-23 £'000	£'000	2021-22 £'000
Cash Flows from operating activities					
Net expenditure for the year			(27,769)		(26,893)
Adjustments for non-cash transactions	13	7,446		7,591	
Decrease in trade and other receivables	9	23		98	
(Decrease)/Increase in trade and other payables	10	2,600		(337)	
Movement on non-current asset payables not passing through the SoCNE		(1,234)		(13)	
Employers Pension Costs	11.6	(2,384)		(2,441)	
			<u>6,451</u>		<u>4,898</u>
Net cash outflow from operating activities			(21,318)		(21,995)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(337)		(266)	
Purchase of intangible assets	6	(168)		(200)	
Proceeds from Disposal of Assets Held for Sale	7	-		495	
Loans to employees for car loans	19	(11)		(11)	
Repayments of Loans	19	12		20	
Net cash outflow from investing activities			(504)		38
Cash flows from financing activities					
Grants from Sponsoring Department			22,576		22,101
Capital element of finance lease payments			(564)		-
Net increase in cash and cash equivalents in the period			190		144
Cash and cash equivalents at the beginning of the period			(487)		(631)
Cash and cash equivalents at the end of the period	8		(297)		(487)

The notes on pages 88 to 125 form part of the accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023

This statement shows the movement in the year on the different reserves held by PBNI, 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 an Agency, to the extent that the total is not represented by other reserves and financing items.

	General Fund	Revaluation Reserve	Taxpayers' Equity
	£'000	£'000	£'000
Balance at 31 March 2021	(40,581)	650	(39,931)
Net gain on revaluation of property, plant and equipment	-	28	28
Actuarial Loss	19,011	-	19,011
Release of reserves to the net expenditure account	213	(213)	-
Comprehensive net expenditure for the year	(26,893)	-	(26,893)
Grant from sponsoring department	22,101	-	22,101
Balance at 31 March 2022	(26,149)	465	(25,684)
Changes in taxpayers' equity for 2022-23			
Net gain on revaluation of property, plant and equipment	-	52	52
Actuarial Gain	30,136	-	30,136
Release of reserves to the net expenditure account	43	(43)	-
Comprehensive net expenditure for the year	(27,769)	-	(27,769)
Grant from sponsoring department	22,576	-	22,576
Balance at 31 March 2023	(1,163)	474	(689)

*Please refer to note 1.23 for further details

The notes on pages 88 to 125 form part of the accounts

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2022-23 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 Probation Board for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Probation Board are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

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

Without limiting the information given, the accounts meet the accounting and disclosure requirements issued by HM Treasury and the Department of Finance, with particular regard to the Government FReM and other relevant guidance in so far as those requirements are appropriate.

1.2 Advances to Probation Offices

All advances to offices are also treated as receivables balances in the Statement of Financial Position.

1.3 Department of Justice Grant

The financing of the Non Departmental Public Body activities is expected to be met by DoJ from funds which are voted annually under the relevant Budget Act. Grant income in respect of revenue and capital expenditure is credited to the General Fund in accordance with guidance contained in the FReM.

1.4 Value Added Tax

Probation Board NI has a limited VAT status. This means VAT can be reclaimed on secondment income. HMRC advised PBNI of the registration in January 2016 and have charged VAT on seconded income from April 2014. There was no VAT liability with HMRC at 31 March 2023. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

1.5 Income – Note 4

International Financial Reporting Standard (IFRS) 15 (Revenue from Contracts with Customers) was applied by HM Treasury in the Government FReM from financial year 2019-20, which introduced a five stage model for the recognition of revenue from contracts with customers. PBNI recognises revenue by applying the following steps:

Step 1: A contract is put in place with all customers

Step 2: Performance obligations are included in the contract

Step 3: Transaction price is agreed with the customer

Step 4: Performance obligations in the contract are monitored in line with payment

Step 5: Revenue is recognised when performance obligations are satisfied.

Note 4 income represents revenue from contracts from the Northern Ireland Prison Service (NIPS) for work carried out by PBNI under a Service Level Agreement (SLA) in line with statutory obligations. PBNI income also relates to staff on secondment and income received from DoJ for programmes under SLAs.

In respect of performance obligations; income is accrued/invoices paid and revenue recognised in accordance with agreed payment terms as set out in the respective SLAs.

Other operating income

Other operating income is income which relates directly to the operating activities of the NDPB. 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.

1.6 Property, Plant and Equipment

Valuation

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.

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

All property, plant and equipment with the exception of land and buildings and assets under construction are revalued by reference to appropriate Office for National Statistics indices as a proxy for fair value. Revaluations are recognised on an asset-by-asset basis with no account taken of potential profit or loss on other non-current assets.

An independent desk-based valuation of land and buildings is completed annually by Land and Property Services (LPS) with a full professional valuation every 5 years. A full professional valuation was carried out as at 28 February 2023 by Kelly Scullion MRIS and John Donaghy MRIS.

Intangible assets

Expenditure on the Probation Board digital Electronic Case Management System (ECMS) including supplier design and implementation costs and internal Agency project team staff salary costs, has been capitalised and classified as an intangible asset.

In addition, expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. All intangible assets are carried at fair value and are revalued annually using appropriate indices provided by the Office for National Statistics.

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.

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:

CATEGORY	METHOD OF RECORDING	THRESHOLD	ESTIMATED USEFUL LIVES
Land	Individual	£ Nil	No depreciation
Buildings & Dwellings	Individual	£ Nil	10 – 80 years (or leasehold)
Plant & Machinery	Individual	£1,000	2 - 40 years
Information Technology	Individual	£1000 or (Attractive items of value normally in excess of £100)	1 – 16 years
Assets Under Construction	Individual	£1,000	No depreciation
Intangible Assets (software & licences)	Individual	£1,000	1-10 years

Software licences are amortised over the shorter of the term of the licence and the useful economic life.

Assets Classified as Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to complete within one year of the classification.

1.7 Leases

IFRS 16 Leases has been implemented from 1 April 2022. It largely removes the distinction between operating and finance leases and introduces a single lease accounting model. A lessee is required to recognise ('right-of-use') assets and liabilities for all leases (apart from the exemptions listed below). This replaces the previous standard, IAS 17 Leases, representing a change in accounting policy applied in accordance with IAS 1 and IAS 8 as adapted by the FReM.

Implementation and Assumptions

PBNI has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period. Leases previously recognised as operating leases under IAS 17 are included within the SoFP as a lease liability and right of use asset for the first time with changes made through the General Fund as a cumulative catch-up adjustment where necessary.

On transition, any differences between the discounted lease liability and the right of use asset are included in reserves through cumulative catch-up. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income in the SoCNE.

PBNI has elected not to recognise right of use assets and lease liabilities for the following leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and
- leases with a lease term of 12 months or less.

Previous treatment

In the comparative period, as a lessee, PBNI classified leases that transferred substantially all the risks and rewards of ownership as finance leases. The leased assets were measured at an amount equal to lower of the fair value and the present value of minimum lease payments.

Leases other than finance leases were classified as operating leases. Assets previously held as operating leases were not recognised in PBNI's SoFP. Payments were recognised in the SoCNE on a straight-line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2022

At inception of a contract, PBNI assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, PBNI assesses whether:

- the contract involves the use of an identified asset;
- PBNI has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- PBNI has the right to direct how and for what purpose the asset is used for.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

PBNI as a lessee

Right of use assets

PBNI recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and

- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets.

PBNI applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (0.95% for leases recognised in 2022, 3.51% for those in 2023).

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the PBNI's estimates of the amount expected to be payable under a residual value guarantee, or if the PBNI changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the PBNI is reasonably certain to exercise; and

- penalties for early termination of a lease unless the PBNI is reasonably certain not to terminate early.

At the commencement of a lease (or on the date of transition to IFRS 16, if later), the PBNI recognises a right of use asset and a lease liability.

1.8 Pension Costs

Most staff in PBNI are members of the Local Government Pension Scheme (NI). Further details regarding the operation of the pension scheme are contained in note 11 to the accounts and the Remuneration and Staff Report.

1.9 Early Departure Costs

The Probation Board is required to provide in full for the cost of paying pensions of employees who retire early from the date of their retirement until the pension is no longer due to the individuals or their spouses. Payments during the year in respect of these individuals are charged to the provision. Each year the provision is recalculated and restated if necessary with any under or over provision charged or credited to Other Operating Costs. This is part of the IAS19 actuarial valuation and it is shown in Note 11 to the accounts.

1.10 Provisions

The Probation Board provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

1.11 Contingent Liabilities

In accordance with International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, PBNI has no contingent liabilities, which are both probable and estimable, to report as at 31 March 2023.

1.12 Community and Voluntary Sector Funding

Grants paid to Community bodies are part of the ordinary activities of PBNI and are charged to Other Expenditure as incurred. Grants are offered and issued in accordance with the Probation Board's Community and Voluntary Sector Funding terms, conditions and finance instructions. Community bodies are required to incur all expenditure by the Probation Board's financial year end. There are no unclaimed grants at year end.

1.13 Insurance

Except where there is a statutory requirement to do so, the Probation Board does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

1.14 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when PBNI becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when PBNI 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.

Note 18 reflects the balance owed to PBNI in respect of the car loan scheme. Officers designated as essential car users will be considered for a loan under the conditions of the scheme in accordance with the Probation Board (NI) Order 1982.

1.15 Financial Assets

A financial asset is classified as such, if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets are initially recognised and subsequently measured 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 recognised and retained at fair value and then subsequently measured at amortised cost.

Cash and Cash Equivalents

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

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

Impairment of Financial Assets

PBNI recognises a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

PBNI always recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

1.16 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 measured at amortised cost.

1.17 Employee Benefits

Under IAS 19 (Employee Benefits), an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. PBNI has recognised annual leave entitlements that have been earned by year end but not yet taken. These are included in current liabilities.

1.18 Segmental Reporting

Under the requirements of IFRS 8 *Operating Segments*, PBNI must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. 'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the Chief Executive Officer. As total assets for segments are not regularly reported to the Chief Executive Officer, PBNI has adopted this option.

PBNI 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 PBNI's current system/format of internal management reporting to the Chief Executive, Senior Executive Team, Senior Leadership Team and Board, who consider financial performance at Board level.

1.19 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 PBNI accounting policies. PBNI continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) Pension and other post-retirement benefits

PBNI accounts for pension and other post-retirement benefits in accordance with IAS 19 *Employee benefits*. In determining the pension cost and the defined benefit obligation of the pension scheme, a number of assumptions are used by the Actuary, these include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in Note 11.

(ii) Calculation of employee benefits

This calculation is based on a 10% sample of the workforce in PBNI, across all grades and specialisms. The sample results are then used as a basis for calculating an overall figure for PBNI.

Other than as noted above, no material accounting estimates or judgements were made by PBNI in preparing these Accounts.

1.20 Accounting standards, amendments, interpretations or other updates that were issued and effective from 1 January 2023

PBNI has considered the accounting standards, interpretations and updates identified by HM Treasury effective from 1 January 2023 and considers that these changes are not relevant or material to its operations.

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

PBNI has considered those new standards, interpretations and amendments to existing standards which have been published and are mandatory for the accounting periods beginning on or after 1 April 2023 or later periods, but which PBNI has not adopted early. PBNI considers that these standards are not relevant or material to its operations.

1.22 Financial Reporting - Future Developments

PBNI has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations, and projects where standards, amendments or interpretations are in development. PBNI considers that these changes are not relevant or material to its operations.

2. PROGRAMME EXPENDITURE

	Note	2022-23 £'000	2021-22 £'000
Staff Costs**			
Wages and salaries		15,114	13,536
Social security costs		1,355	1,425
Pension Provision		5,619	6,346
		<u>22,088</u>	<u>21,307</u>
Purchase of goods and services			
Cash items:			
Accommodation costs, maintenance and utilities		941	797
IT, communications and office services		273	243
Consumables, equipment and transport costs		130	267
Contracted out and managed services		1,417	1,375
Professional and consultancy services		301	262
Client and programme operating costs		98	105
Rentals under operating leases		188	730
Staff related costs		497	428
Other costs		21	21
Auditor's remuneration		16	31
Commissions, Panels and Tribunals costs		50	47
		<u>3,932</u>	<u>4,306</u>
Non-cash items:			
(Profit)/loss on disposal of non-current assets		5	(171)
Other non-cash items		61	62
		<u>66</u>	<u>(109)</u>
		<u>3,998</u>	<u>4,197</u>
Total purchase of goods and services			
Depreciation and impairment charges			
Depreciation	5	786	299
Amortisation	6	196	229
		<u>982</u>	<u>528</u>
Provision expense			
Provided in year		100	-
Written back in year		-	-
		<u>100</u>	<u>-</u>
Other - Resource:			
Other non EU Grants	3	1,897	2,028
Total grants		<u>1,897</u>	<u>2,028</u>
		<u>29,065</u>	<u>28,060</u>
Total Programme costs excluding finance expense			
Finance expense:			
Interest payable		15	-
Pension liability interest charges (Non-cash)		679	826
Total finance expense		<u>694</u>	<u>826</u>
		<u>29,759</u>	<u>28,886</u>
Total Programme costs including finance expense			

* Further Analysis of staff costs is located in the Staff Report on page 70.

3. OTHER OPERATING EXPENDITURE

Grants in respect of schemes for the supervision and assistance of people who have offended and the prevention of crime:

	2022-23 £'000	2021-22 £'000
Grants over £100,000		
Northern Ireland Association for Care and Resettlement of Offenders (NIACRO) ¹	957	1,027
Ascertain ²	340	374
Inspire ³	155	145
Start 360 ⁴	142	142
Grants £50,001- £100,000		
Barnardo's ⁵	88	100
Women's Aid Federation ⁶	60	60
Grants £25,001- £50,000		
NI Alternatives ⁷	40	40
Community Restorative Justice Ireland (CRJI) ⁸	40	40
Grants up to £25,000⁹		
	75	100
Total	1,897	2,028

¹ **NIACRO** - £817k was granted for the Mentoring and Young Men's project under the Aspire programme; £100k was granted for the Working Well Programme; and £40k for the Transitions project.

² **Ascertain** - £75k and £265k was awarded for the Addiction Services and Secondary Services projects respectively.

³ **Inspire** - was awarded £155k for the Substance Misuse Court.

⁴ **Start 360** - £92k was granted for the Engage project via the Aspire programme and £50k for the Protect Life project.

⁵ **Barnardo's** - £88k was granted for the ECO-Parenting project.

⁶ **Women's Aid Federation** - £60k was granted for the Promoting Positive Relationships Programme (PRRP).

⁷ **Northern Ireland Alternatives** - was awarded £40k for the ECO project.

⁸ **CRJI** - was awarded £40k for the ECO project.

⁹ **Grants up to £25,000** – Grant funding relates to the following: Belfast City Council for the Changing Lives initiative (£15k) and 23 Community Service Placement grants (£60k).

All awards were subject to open application and adjudication in line with PBNI Community and Voluntary Sector Funding policies and procedures.

4. PROGRAMME INCOME

	2022-23	2021-22
	£'000	£'000
Income from Activities		
Revenue from contracts with customers		
NI Prison Service	1,134	1,134
Other Operating Income		
Secondment	88	156
Other Income	766	723
	<u>1,988</u>	<u>2,013</u>

NI Prison Service - £1,134k (2021-22 £1,134k) as per Service Level Agreement between the Probation Board and the NI Prison Service for the provision of social welfare services in prisons and young offenders' centres as set out in the Probation Board (Northern Ireland) Order 1982.

Secondments - £88k (2021-22 £156k) represents salary and travel income for staff on secondment.

Other Income - £766k (2021-22 £723k) for programmes funded by additional monies received from the DoJ and Northern Ireland Courts and Tribunal Service (NICTS) for the PPRP and Substance Misuse Court programmes respectively, and also for recharges for services supplied to other public bodies for rent and miscellaneous refunds.

5. PROPERTY, PLANT AND EQUIPMENT

A full professional valuation was carried out by Land and Property Services as at 28 February 2023. The valuations have been made in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors on the basis of Existing Use Value or Open Market Value as appropriate.

The market value of land and buildings is £815k (2021-22: £815k), which is also the existing use value and the gross current replacement cost per the asset register. Included within land and buildings is land valued at £447k (2021-22: £447k), which is non-depreciable.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2022-23	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Total
Cost or valuation						
At 1 April 2022	447	3,736	1,469	145	837	6,634
Opening balance adjustment	-	1,794	-	-	-	1,794
Restated opening balance	447	5,530	1,469	145	837	8,428
Additions	-	88	128	167	(19)	364
Disposals	-	(133)	(50)	(1)	-	(184)
Reclassifications	-	-	-	-	-	-
Revaluation	-	38	75	18	-	131
	-	-	-	-	-	-
At 31 March 2023	447	5,523	1,622	329	818	8,739
Depreciation						
At 1 April 2022	-	3,243	1,071	116	-	4,430
Charged in year	-	583	179	24	-	786
Disposals	-	(133)	(46)	(1)	-	(180)
Reclassifications	-	-	-	-	-	-
Revaluation	-	30	47	2	-	79
	-	-	-	-	-	-
At 31 March 2023	-	3,723	1,251	141	-	5,115
Carrying amount at 31 March 2023	447	1,800	371	188	818	3,624
Carrying amount at 31 March 2022	447	493	398	29	837	2,204
Asset Financing:						
Owned	447	429	371	188	818	2,253
Finance leased	-	1,371	-	-	-	1,371
Carrying amount at 31 March 2023	447	1,800	371	188	818	3,624

2021-22	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Total
Cost or valuation						
At 1 April 2021	447	3,760	1,423	344	735	6,709
Additions	-	-	79	19	102	200
Disposals	-	(29)	(96)	(219)	-	(344)
Reclassifications	-	(17)	17	-	-	-
Revaluation	-	22	46	1	-	69
At 31 March 2022	447	3,736	1,469	145	837	6,634
Depreciation						
At 1 April 2021	-	3,181	937	309	-	4,427
Charged in year	-	93	185	21	-	299
Disposals	-	(29)	(94)	(214)	-	(337)
Reclassifications	-	(17)	17	-	-	-
Revaluation	-	15	26	-	-	41
At 31 March 2022	-	3,243	1,071	116	-	4,430
Carrying amount at 31 March 2022	447	493	398	29	837	2,204
Carrying amount at 31 March 2021	447	579	486	35	735	2,282
Asset Financing:						
Owned	447	493	398	29	837	2,204
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2022	447	493	398	29	837	2,204

6. INTANGIBLE ASSETS

2022-23	Software Licences	and	Assets Under Construction	Total
Cost or valuation				
At 1 April 2022	1,281		259	1,540
Additions	183		(39)	144
Disposals	-		-	-
Reclassifications	-		-	-
At 31 March 2023	1,464		220	1,684
Amortisation				
At 1 April 2022	242		-	242
Charged in year	196		-	196
Disposals	-		-	-
At 31 March 2023	438		-	438
Carrying amount at 31 March 2023	1,026		220	1,246
Carrying amount at 31 March 2022	1,039		259	1,298
Asset Financing:				
Owned	1,026		220	1,246
Carrying amount at 31 March 2023	1,026		220	1,246

2021-22	Software Licences	and	Assets Under Construction	Total
Cost or valuation				
At 1 April 2021	20		1,253	1,273
Additions	1		278	279
Disposals	(9)		(3)	(12)
Reclassifications	1,269		(1,269)	-
At 31 March 2022	1,281		259	1,540
Amortisation				
At 1 April 2021	19		-	19
Charged in year	229		-	229
Disposals	(6)		-	(6)
At 31 March 2022	242		-	242
Carrying amount at 31 March 2022	1,039		259	1,298
Carrying amount at 31 March 2021	1		1,253	1,254
Asset Financing:				
Owned	1,039		259	1,298
Carrying amount at 31 March 2022	1,039		259	1,298

7. ASSETS HELD FOR SALE

There were no properties held for sale during 2022-23.

	2022-23	2021-22
Cost/Valuation	£'000	£'000
At 1 April 2022	-	311
Reclassification	-	-
Disposal	-	(311)
At 31 March 2023	-	-

8. CASH AND CASH EQUIVALENTS

	2022-23	2021-22
	£'000	£'000
Balance at 1 April 2022	(487)	(631)
Net change in cash and cash equivalent balances	190	144
Balance at 31 March 2023	(297)	(487)

The following balances at 31 March 2023 were held at:

Commercial banks and cash in hand	(297)	(487)
Balance at 31 March 2023	(297)	(487)

9. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2022-23	2021-22
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	129	56
Prepayments and accrued income	19	142
Other receivables	45	18
	193	216

10. TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
VAT	-	16
HM Revenue and Customs	295	618
Trade payables	188	58
Accruals	3,408	1,918
Lease liabilities	454	-
	<u>4,345</u>	<u>2,610</u>

11. PROVISIONS - PENSION COMMITMENTS

Introduction

The Probation Board makes employer contributions to the Northern Ireland Local Government's Officers Superannuation Scheme (NILGOSC).

The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014'. The unfunded pension arrangements relate to the termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme (Northern Ireland) under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

Funding/Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2022 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Northern Ireland Local Government Officers' Superannuation Committee is responsible for the governance of the Fund.

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Committee) is shown in the disclosures. The Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks Associated with the Fund in relation to Accounting

Asset Volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets under perform, this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation Risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting Employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of ‘orphan liabilities’ may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. ‘Orphan liabilities’ are currently a small proportion of the overall liabilities in the Fund.

11.1 Assumptions and Sensitivity of Results

The principal assumptions used by the Actuary in updating the latest valuation of the Fund for IAS 19 purposes were as follows:

Financial Assumptions

	31/03/2023	31/03/2022	31/03/2021	31/03/2020	31/03/2019
Inflation Increase Rate (CPI)	2.70%	3.00%	2.70%	2.00%	2.20%
Salary Increase Rate	4.20%	4.50%	4.20%	3.50%	3.70%
Pension Increase Rate	2.70%	3.00%	2.70%	2.00%	2.20%
Discount rate	4.70%	2.70%	2.10%	2.30%	2.40%

Mortality

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Based on these assumptions, the average future life expectancies at age 65 in normal health are summarised below:

	Males	Females
Current Pensioners	22.2 years	25.0 years
Future Pensioners	23.2 years	26.0 years

Sensitivity of Results

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2023 and the projected service costs for the year ending 31 March 2023 is set out below. This does not include sensitivity of unfunded benefits on materiality grounds.

Discount rate assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£'000s)	113,882	117,820
% change in present value of total obligation	-1.70%	1.70%
Projected service cost (£'000s)	2,505	2,722
Approximate % change in projected service cost	-4.10%	4.20%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£'000s)	116,083	115,619
% change in present value of total obligation	0.20%	-0.20%
Projected service cost (£'000s)	2,612	2,612
Approximate % change in projected service cost	0.00%	0.00%
Rate of increase to pensions in payment and deferred pensions assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£'000s)	117,589	114,113
% change in present value of total obligation	1.50%	-1.50%
Projected service cost (£'000s)	2,722	2,505
Approximate % change in projected service cost	4.20%	-4.10%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption*	+1 year	-1 year
Present value of total obligation (£'000s)	118,979	112,723
% change in present value of total obligation	2.70%	-2.70%
Projected service cost (£'000s)	2,703	2,521
Approximate % change in projected service cost	3.50%	-3.50%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Statement of Financial Position Disclosures at 31 March 2023

11.2 Fair Value of Employer Assets

Year Ended:	31 March 2023 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000
Equities	47,268	57,150	57,277	43,376
Government Bonds	24,343	32,904	29,195	26,576
Corporate Bonds	3,545	2,931	14,969	12,830
Multi Asset Credit	15,716	17,451		
Property	13,235	13,322	11,010	10,182
Cash	7,681	5,329	6,556	4,786
Other	6,381	4,130	4,701	4,073
Total	118,169	133,217	123,708	101,823

The above assets' values as at 31 March 2023 are at bid value as required under IAS19. The assets allocated to the Employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if the situation arises.

11.3 Pension Provision Calculation

	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Year Ended:	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	118,169	133,217	123,708	101,823
Present Value of Funded Liabilities	(115,851)	(159,356)	(164,046)	(132,576)
Net Surplus / (Underfunding) in Funded Plans	2,318	(26,139)	(40,338)	(30,753)
Unrecognised Asset Adjustment	(2,318)*	-	-	-
Present Value of Unfunded Liabilities	(164)	(186)	(205)	(193)
Net Asset / (Liability)	(164)	(26,325)	(40,543)	(30,946)
Amount in the Statement of Financial Position – Assets / (Liabilities)	(164)	(26,325)	(40,543)	(30,946)

*Additional calculations were required to determine if the Net Pension Asset could be recognised in full in the PBNI Statement of Financial Position (SoFP), or if it could be restricted. A surplus can only be recognised if the PBNI can gain an economic benefit from it. The pension scheme actuary provided an additional report, which concluded that the net surplus could not be recognised in the SoFP.

11.4 Recognition in the Statement of Comprehensive Net Expenditure

Year Ended:	31 March 2023	31 March 2022
	£'000	£'000
Current Service Cost (excluding Administration expense)	5,619	6,344
Administration expense	61	62
Past Service Cost (including curtailments)	-	2
Interest on net defined benefit liability	679	826
Pension expense recognised in statement of comprehensive net expenditure	6,359	7,234
Actual Return on Plan Assets	(14,060)	9,662

11.5 Reconciliation of Defined Benefit Obligation during the Accounting Period

Year Ended:	31 March 2023	31 March 2022
	£'000	£'000
Opening Defined Benefit Obligation	159,542	164,251
Current Service Cost	5,619	6,344
Administration Expense	61	62
Interest expense	4,263	3,423
Contributions by Members	785	809
Actuarial (Gains)/Losses	(50,098)	(11,946)
Past Service Costs	-	2
Estimated Benefits Paid	(4,157)	(3,403)
Closing Defined Benefit Obligation	116,015	159,542

11.6 Reconciliation of Fair Value of Employer Assets

Year Ended:	31 March 2023	31 March 2022
	£'000	£'000
Opening Fair Value of Employer Assets	133,217	123,708
Interest income on assets	3,584	2,597
Contributions by Members	785	809
Contributions by Employer	2,384	2,441
Actuarial Gains / (Losses)	(17,644)	7,065
Benefits Paid	(4,157)	(3,403)
Closing Fair value of Employer Assets	118,169	133,217

11.7 Amounts for the Current and Previous Accounting Periods

Year Ended:	31 March 2023	31 March 2022	31 March 2021	31 March 2020
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	118,169	133,217	123,708	101,823
Present Value of Defined Benefit Obligation	(116,015)	(159,542)	(164,251)	(132,769)
Unrecognised Asset Adjustment	(2,318)	-	-	-
Surplus / (Deficit)	(164)	(26,325)	(40,543)	(30,946)
Actuarial Gains/(Losses) on Employer Assets	(17,644)	7,065	19,954	(22,789)
Actuarial Gains/(Losses) on Obligation	50,098	11,946	(26,782)	10,867
Unrecognised Asset Adjustment	(2,318)	-	-	-
Actuarial Gains/(Losses) recognised in SOCTE	30,136	19,011	(6,828)	(11,922)

11.8 Employer's contributions for financial year 2022-23 – 19.5%

11.9 McCloud Judgement

In 2022-23, the current service cost includes an allowance for an accruing McCloud liability over the full accounting period.

11.10 Guaranteed Minimum Pension Indexation and Equalisation

The accounting approach for 2022-23 is to include a liability for Guaranteed Minimum Pension (GMP) indexation for all members whose state pension age is after the 6 April 2016.

12. PROVISIONS – OTHER

PBNI has recognised a provision of £100k in 2022-23 in relation to possible legal costs relating to a Judicial Review outcome.

13. CASH FLOW ADJUSTMENTS FOR NON-CASH TRANSACTIONS

	2022-23 £'000	2021-22 £'000
Depreciation and amortisation charge	982	528
Non-cash pension costs	5,680	6,408
Pension provision borrowing cost	679	826
Provision expense	100	-
Profit on disposal of non-current assets	5	(171)
	<u>7,446</u>	<u>7,591</u>

14. LEASES

As explained in Note 1.7, the PBNI has adopted IFRS 16 'Leases' from 1 April 2022. As permitted by the FReM, the PBNI has implemented it using the cumulative catch-up method, without restating prior year figures. Most leases recognised as operating leases until 31 March 2022 are now recognised as right-of-use lease assets.

PBNI lease contracts are all in relation to Buildings that are used as PBNI operational offices.

14.1 Right of Use Assets

	2022-23 £'000	2021-22 £'000
As at 1 April 2022	1,794	-
Additions	88	-
Depreciation expense	(511)	-
As at 31 March 2023	<u>1,371</u>	<u>-</u>

14.2 Lease Liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of irrecoverable VAT.

	2022-23 £'000	2021-22 £'000
Right of use assets		
Buildings		
Not later than one year	464	-
Later than one year and not later than five years	678	-
Later than five years	<u>206</u>	<u>-</u>
	1,348	-
Less: interest element	<u>(29)</u>	<u>-</u>
Present value of lease obligations	<u>1,319</u>	<u>-</u>
Current portion	454	-
Non-current portion	<u>865</u>	<u>-</u>
	<u>1,319</u>	<u>-</u>

14.3 Amounts Recognised in Statement of Comprehensive Net Expenditure

	2022-23 £'000	2021-22 £'000
Variable lease payments not included in lease liabilities	-	-
Expense related to short-term leases	188	730
Expense related to low value leases (excluding short-term leases)	<u>-</u>	<u>-</u>
	<u>188</u>	<u>730</u>

14.4 Amounts Recognised in Statement of Cash Flow

	2022-23 £'000	2021-22 £'000
Total cash outflows for leases	564	-

14.5 Reconciliation from IAS 17 to IFRS 16

The following table provides a reconciliation of the value of operating lease commitments as at 31 March 2022 to the lease liabilities at 1 April 2022, immediately following adoption of IFRS 16. The material reconciling items are an adjustment for the impact of discounting, the removal of irrecoverable VAT, and those leases under 12 months and of low value.

	£'000
Closing operating leases disclosed at 31 March 2022	2,575
Adjustment to closing balance (IAS 17)	<u>(296)</u>
Restated closing balance at 31 March 2022	2,279
<i>Adjustments from IAS 17 to IFRS 16</i>	
Impact of discounting	(42)
Short terms and low value leases	(25)
Irrecoverable VAT	(369)
Other reconciling items	<u>(49)</u>
IFRS 16 opening balance lease liabilities at 1 April 2022	<u>1,794</u>

15. CAPITAL COMMITMENTS

There are no contracted capital commitments at 31 March 2023 not otherwise included in these financial statements.

	2022-23 £'000	2021-22 £'000
HR & Payroll System	<u>-</u>	<u>20</u>
Total	<u>-</u>	<u>20</u>

16. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

At year end, PBNI has contingent liabilities consisting of four compensation claims, three health and safety claims and 14 Pre-Action Protocols/Judicial Reviews. While legal proceedings have been initiated or it has been indicated that proceedings may be brought, they have not been provided for in the financial statements as at this stage as these cases are not at a stage where costs can be readily estimated, or payment is not probable.

17. RELATED PARTY TRANSACTIONS OUTSTANDING

The Probation Board is a Non-Departmental Public Body sponsored by the DoJ. The DoJ is regarded as a related party for the year 2022-23. During the year, the Probation Board had various transactions with the Department and other entities for which the Department of Justice was regarded as the parent Department, i.e. NI Prison Service as disclosed in Note 4. To capture information on related party transactions, the Probation Board has circularised Members and Senior Management. Due to the nature of the Probation Board's operations and the composition of the Board, it is inevitable that transactions will take place with organisations in which a Member of the Board or Senior Manager may have an interest. All such transactions are conducted at arm's length and in accordance with the Probation Board's policies. The Register of Interests is available on the Probation Board website www.pbni.org.uk.

The following Related Party Transactions were incurred during the year:

Board Members

Mr N Bodger – Mr Bodger is a non-executive member of the Departmental Management Board of the Department for Communities. PBNI rents office premises at Richmond Chambers, Derry / Londonderry from the Department. PBNI paid the sum of £35,312.00 to the Department in 2022-23 in respect of rent and other property overheads. Mr Bodger was not involved in the decision making process in the lease contract award.

Ms M Brunt – Ms Brunt is an accredited local preacher with the Methodist Church in Ireland. Ballymena Methodist Church received payments totaling £1,050.00 in respect of car park rental. Ms Brunt was not involved in the procurement or any decision making capacity in the award of this contract.

Dr J Byrne – Dr Byrne is a Senior Lecturer at the Ulster University. The Ulster University received payments totaling £14,770.00 for student placements across the financial year. Dr Byrne was not involved in the decision making process in relation to this income. Dr Byrne is also a board member with Northern Ireland Alternatives, who received grant payments of £46,000.00 in 2022-23 (including £6,000.00 accrued from 2021-22). Dr Byrne was not involved in any decision making capacity regarding the award of grant funding.

18. FINANCIAL INSTRUMENTS: DISCLOSURES

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Due to the non-trading nature of its activities and the way in which executive Non-Departmental Public Bodies are financed, the Probation Board is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Probation Board has no powers to invest funds and has limited year end flexibility.

Financial assets and liabilities are generated by day to day operational activities and are not held to change the risks facing the Office in undertaking its activities. As permitted by IFRS 7, receivables and payables which mature or become payable within 12 months from the statement of financial position date have been excluded from this disclosure.

Liquidity Risk

The Probation Board's revenue resource requirements are financed by resources voted annually by the NI Assembly, just as its capital expenditure largely is. The Probation Board is not therefore exposed to significant liquidity risk.

Interest Rate Risk

The Probation Board has no loans on which interest is payable and is therefore not exposed to any significant interest rate risk.

Foreign Currency Risk

The Probation Board has no foreign currency income and expenditure is restricted to secondees payments and some other operating costs. It is not therefore exposed to significant foreign currency risk.

Fair Values

PBNI operates an Assisted Car Purchase Scheme for officers designated as essential car users for the purpose of their post as set out in their terms and conditions for employment and in the Probation Board (Northern Ireland) Order 1982. The book values and fair values of the Probation Board's financial assets and financial liabilities relating to the Assisted Car Purchase Scheme are set out below:

19. FINANCIAL ASSETS

	2022-23 £'000	2021-22 £'000
Balance brought forward	20	29
Additions	11	11
Repayments	<u>(12)</u>	<u>(20)</u>
	<u>19</u>	<u>20</u>
Current assets	8	11
Non- current assets	<u>11</u>	<u>9</u>
	<u>19</u>	<u>20</u>

20. EVENTS AFTER THE REPORTING PERIOD

There are no events later than the reporting date to disclose.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 7 July 2023.

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Portadown	028 3839 7575

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H M YOC & P Hydebank	028 9049 4100

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