

CHANGING LIVES FOR SAFER COMMUNITIES

ANNUAL REPORT & ACCOUNTS

2021-22



PBNI Probation Board
for Northern Ireland



PROBATION BOARD FOR NORTHERN IRELAND ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

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

11 July 2022

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This publication is also available at **www.pbni.org.uk**.

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PBNI Probation Board
for Northern Ireland

PERFORMANCE REPORT

THE PERFORMANCE REPORT



BOARD CHAIR'S FOREWORD

I am delighted to present the Probation Board for Northern Ireland (PBNI) Annual Report for 2021-22.

I was appointed Board Chair on 1 March 2022 and am joined on the Board by 12 board members. This Board is made up of individuals from across the community who bring valuable experience and expertise, which will assist in the delivery of probation services.

Over the last year, PBNI continued to operate against a significantly challenging background. A Recovery Plan was developed and implemented to steer the organisation through the COVID-19 pandemic. Operational practice standards were adapted to ensure that probation could continue to deliver vital public services whilst keeping staff, service users and the public safe. Cognisant of the need to harness learning from the pandemic and review working practices, a Hybrid Working Policy was developed in consultation with staff to consider options for working from home. That hybrid approach is being piloted and will be reviewed in the coming year.

Like all public services, PBNI continues to face financial challenges. In January, we gave evidence to the NI Assembly Justice Committee on the impact of any reductions in our budget. As you will see in this report, our resource budget in 2021-22 was just over £22 million, which is less than 2% of the Department of Justice's entire budget. Any reduction or cut in resources, therefore, 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.

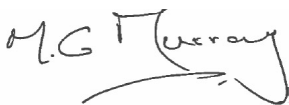
In 2021, the Justice Minister launched a consultation on a review of the status and governance of PBNI. The review considered options for the future status of the organisation and proposed that it should continue to be an independent arm's-length body. It also considered the size of our Board and proposed that it should be reduced in size but continue to be made up of independent members appointed by the Justice Minister.

We believe these proposals will help ensure the Board is effective and well placed to continue to shape the strategic direction of the organisation well into the future.

Despite the challenging backdrop to the last 12 months, much has been achieved. Our new Chief Executive Amanda Stewart was appointed in October 2021 bringing a wealth of experience of working within criminal justice and delivering in partnership with communities. There were a number of other senior appointments made, including the appointment of a new Head of Human Resources and Organisational Development and Head of Finance and Estates. A review of the senior team is planned to ensure that it has the right skills and decision-making structure to lead the organisation over the coming years.

In the second year of PBNI's Corporate Plan, performance against the Business Plan for 2021-22 has been high with five out of our six achieving a 'green' rating. Some notable achievements include the development of a staff wellbeing strategy; progress on transforming culture within the organisation; the implementation of our Information and Communications Technology (ICT) plan; the introduction of virtual town hall events for staff; and the implementation of the 2021-22 Action Plan following the Criminal Justice Inspection of Probation Practice.

It is a testament to staff throughout the organisation that so much has been achieved despite the challenges over the last year. I want to put on record my thanks to Chief Executive, Amanda Stewart, and the senior leadership team. I also wish to thank the Board Secretariat and previous and current Board members for their unstinting loyalty and commitment. I look forward to working together over the next year to help enhance community safety in all our local communities.



Mr Max Murray CBE
Chairperson



INTRODUCTION FROM THE CHIEF EXECUTIVE

I took up post as Chief Executive of the Probation Board for Northern Ireland (PBNI) in October 2021 and I am delighted to introduce my first report as Chief Executive and Accounting Officer.

This report sets out how we have performed against our Business Plan, how we have managed our annual budget and how we have operated within our governance framework.

In the second year of PBNI's Corporate Plan, all of our business plan objectives have been met. Throughout 2021-22, there was significant work carried out in response to the pandemic. The senior team together with staff developed an organisational Recovery Plan and compiled lessons learnt through the pandemic, so as not to lose the momentum of change in terms of our approach to using technology to engage our service users, and developed an approach to Hybrid Working. In developing our new ways of working, we consulted with service users, staff and partner organisations.

Over the last six months, I have met with a range of service users and I have listened carefully to how the pandemic has impacted upon them. Some of those we work with are vulnerable and marginalised members of the community, who have chaotic lifestyles and complex needs. Probation staff made a valuable contribution to them as individuals during what was a particularly challenging time for many people in accessing mainstream services and to the wider community we serve in making safer communities. Going forward, it is essential that we are able to understand the needs of the people we work with if we are to be effective in both supporting and holding them to account.

We have continued our partnership work with statutory, community and voluntary sectors. As part of COVID recovery my priority is to bring probation back to its roots in local communities. I want to ensure that probation staff have strong relationships and contacts with local communities so that we can work in partnership to enhance community safety. I have seen at first hand the valuable work probation is carrying out in local areas and I want to empower staff to build those vital local connections, which brings us into the heart of communities. If we are to rehabilitate service users it is really important that we are able to link them back into local communities and assist them to find employment, training, adequate housing and support so that they can rebuild their lives and repair the harm done.

Over the last six months, I have been working with the senior team to take forward a programme of organisational change. That includes building an organisation that is modern, agile and able to deliver probation services in an effective and efficient way. We are carrying out significant work on developing a culture, which is compassionate and supportive of staff. We are also working with the Department of Justice to take forward a programme of pay modernisation to help us meet some of our current challenges in relation to retaining social work staff.

Throughout 2021-22, we have delivered our services within our annual budget. In the year ahead, there will be financial pressures. These pressures are coming at a time when the needs of service users are becoming more complex, and there is no indication of a reduction in caseload. For example, we have already seen an increasing number of domestic violence and abuse offences arising from the pandemic and that trend is likely to continue. The numbers of people presenting with mental health and addictions continues to be high. We will continue to work closely with the Department over the coming months and do our best to mitigate any risks posed by future budget allocations.

Finally, I am very proud to lead what I consider to be an outstanding probation service, with a social work ethos at its core. Like all public services, we face challenges over the coming months; however, we also have many opportunities. I am looking forward to taking the opportunity to reset our priorities in the coming year and build an organisation that delivers within every local area, changing lives for safer communities.



Amanda Stewart
Chief Executive

OVERVIEW

The purpose of this overview section is to outline the Probation Board for NI (the Board) performance during the 2021-22 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 4,223 reports annually, to assist decision-making in the criminal justice process;
- supervise people who have offended (PBNi were supervising 3,654 people on 4,578 orders at 31 March 2022);
- 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

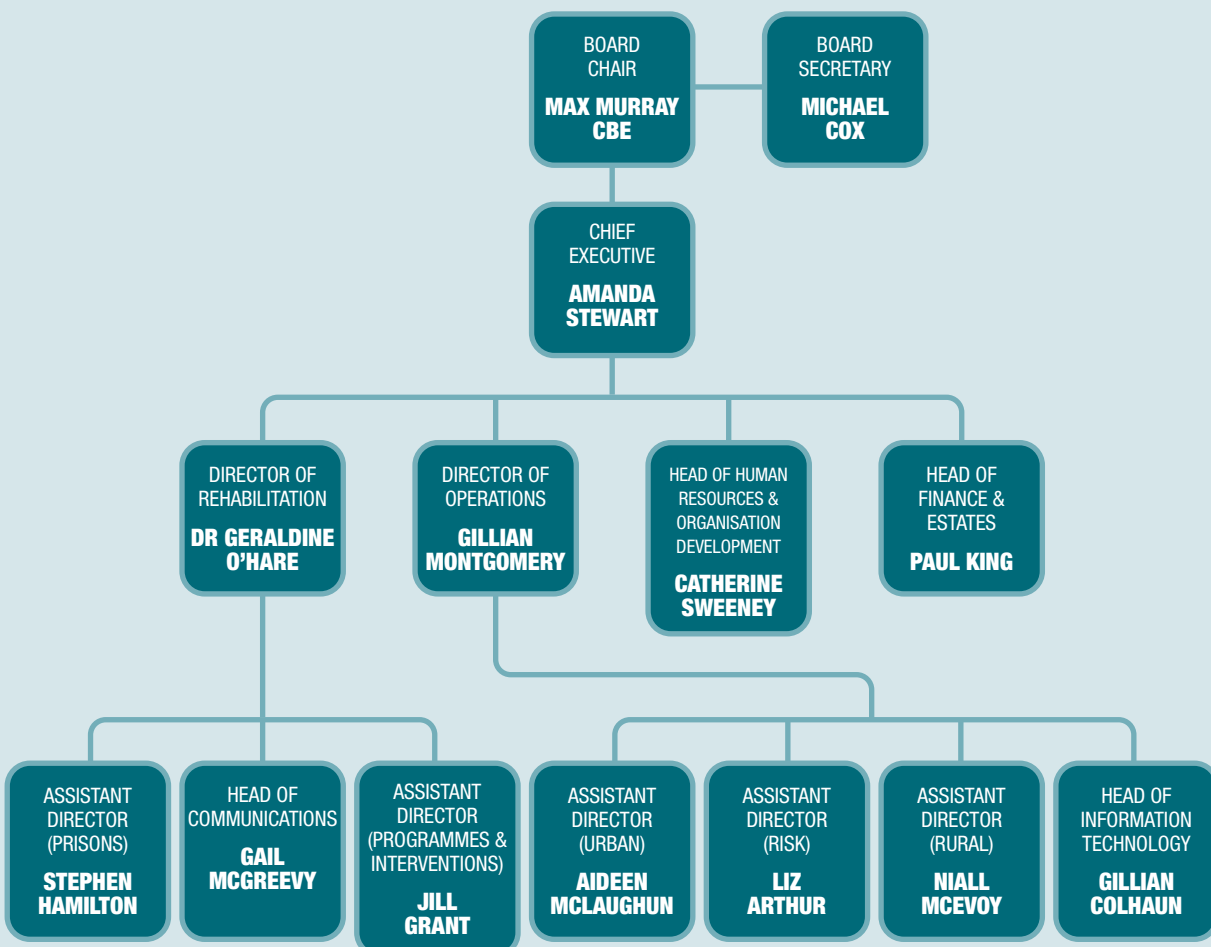
Partnership work underpins everything that probation does and it works with statutory partners as well as organisations in the voluntary and community sector.

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:

SENIOR LINE MANAGEMENT STRUCTURE



Key Issues and Risks

At the start of the 2021-22 business year, there were five risks on PBNI's Strategic Risk Register (SRR). During the course of the year, one risk was de-escalated from the SRR namely, "There is a reputational risk to PBNI in not fully carrying out its statutory obligations in respect of supervising dissident republicans" due to the Multi Agency Risk Assessment arrangements being in place and the change to legislation proceeding in September 2021. One risk was significantly amended to ensure they accurately reflected the current situation, namely, "The absence of pay modernisation is negatively impacting PBNI's ability to recruit and retain staff".

Three risks were added to the SRR, namely:

Risk 4: There is a risk to the safety of the public due to PBNI's inability to safely and effectively deliver the Practice Standards.

Risk 5: There is a risk to the wellbeing of PBNI service users' due to PBNI's inability to safely and effectively deliver the Practice Standards.

Risk 6: Due to the level of inexperience of Probation Officer and Area Manager grades, there is a risk that PBNI is unable to effectively manage risk resulting in an increased risk to the safety of the public.

At the conclusion of the business year, the following seven risks remained on the SRR:

ID	Description of Risk
1	A service user under supervision commits a serious further offence and it was found there was non-compliance with PBNI's Practice Standards and Significant Risk of Serious Harm (SRoSH) Procedures.
2	Funding for programmes and projects is not guaranteed long term post 2021-22 with implications for service delivery and stability of staffing levels.
3	The absence of pay modernisation is negatively impacting PBNI's ability to recruit and retain staff.
4	There is a risk to the safety of the public due to PBNI's inability to safely and effectively deliver the Practice Standards.
5	There is a risk to the wellbeing of PBNI service users' due to PBNI's inability to safely and effectively deliver the Practice Standards.
6	Due to the level of inexperience of Probation Officer and Area Manager grades, there is a risk that PBNI is unable to effectively manage risk resulting in an increased risk to the safety of the public.
7	The risk to business continuity (operational and corporate) as a consequence of COVID-19.

Risk numbers two, three and six above were assessed as high risk. In relation to risk two, the long term financial situation remains unknown at the point of writing, in relation to the connected risks three and six, PBNI will be submitting a business case in 2022-23 to seek approval to amend payscales.

The mitigating actions for each of the above risks were monitored during the financial year as follows:

- The SRR was updated by senior managers and reviewed on a quarterly basis, through the Audit and Risk Management Group (ARM).
- 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 2021-22, 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 compliance with International Accounting Standard (IAS) 19, the Probation Board has had to recognise a pension scheme liability of £26,325k in its Statement of Financial Position (£40,543k in 2020-21). This year this has resulted in overall net liabilities of £25,684k (£39,931k in 2020-21).

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. The net liabilities resulting from the pension scheme deficit will not affect the Probation Board's ability to fulfil its functions, and the Probation Board will be able to meet whatever contributions are necessary to comply with NILGOSC's plan to make good the pension scheme deficit. It is therefore appropriate for the Probation Board's accounts to continue to be prepared on a going concern basis.

There are no going concern implications resulting from COVID-19 and the European Union Exit.

In the continuing absence of an Executive, a Budget for 2022-23 cannot be agreed. On 31 March 2022, the Permanent Secretary of DoJ confirmed that, in the absence of an opening budget for 2022-23, the Finance Minister intends to provide each department with a contingency planning envelope for 2022-23 for both Resource and Capital Departmental Expenditure Limits (DEL), to allow the continuation of service delivery. The contingency planning envelope for resource is likely to be made up of the 2021-22 baseline, specific funding and any prior Executive Commitments. The contingency planning envelope for Capital is to be made up of tails of existing contracts, contractual commitments, programmes and projects with previous Executive agreement and core capital for routine maintenance.

PERFORMANCE SUMMARY

2021-22 was the second year of the 2020-23 Corporate Plan. The Probation Board for Northern Ireland (PBNI) reset the Business Plan 2020-21 in response to the COVID-19 pandemic and, following this, six Key Outcomes were set for the business year, April 2021 to March 2022. The outcomes are arranged under six 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 2022, six of six Key Outcomes were delivered.

Performance against 2021-22 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 2021-22 Business Plan achievements are listed below. There were a total of six outcomes and overall performance is described within the categories below:

Green:
Achieved

Amber:
Partially Achieved

Red:
Not Achieved

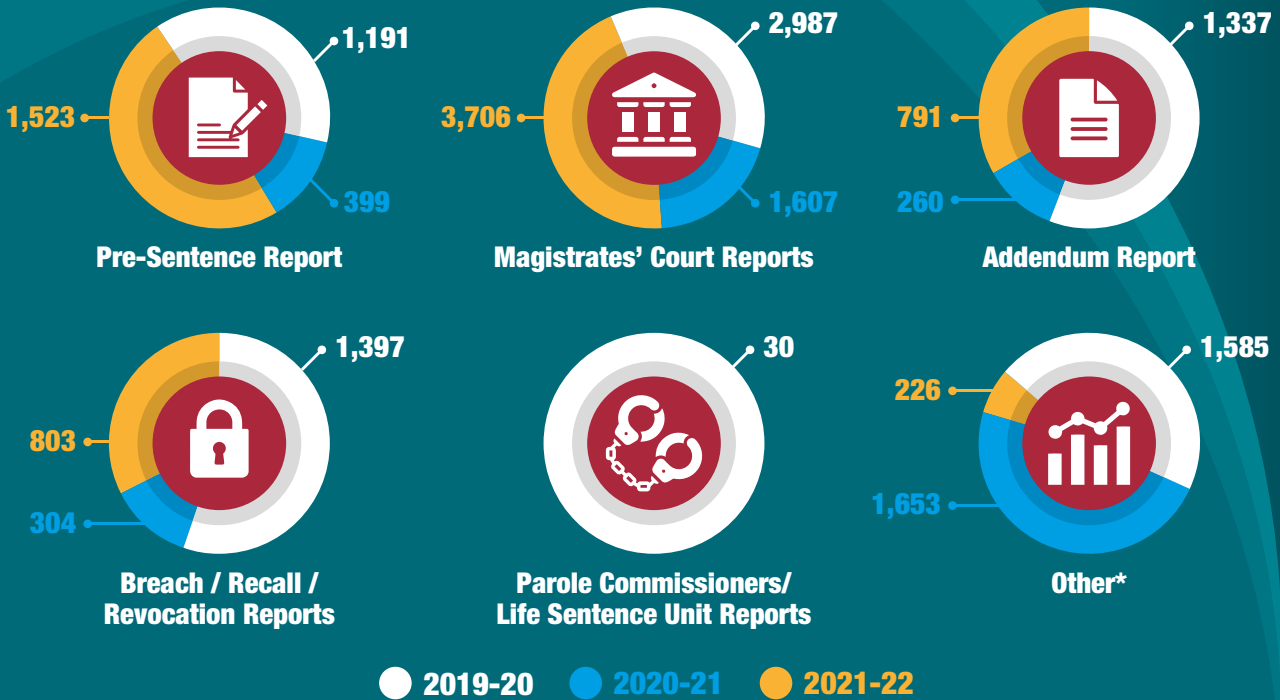
Of the six outcomes, five were achieved and one was partially achieved.

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	Green
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	Amber
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

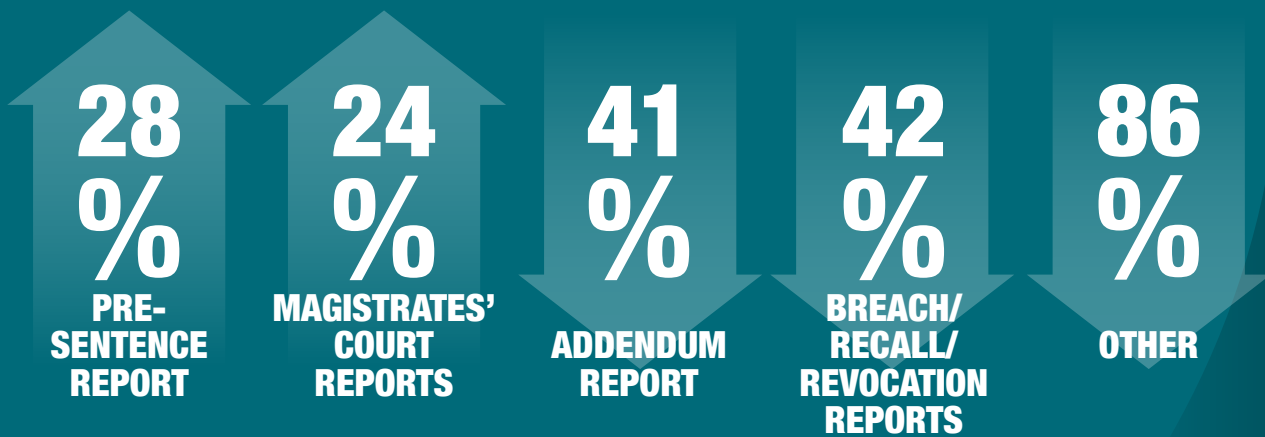
Performance on the Key Outcomes under these Strategic Priorities is provided in the Performance Analysis section.

WORK UNDERTAKEN DURING 2021-22

REPORTS* COMPLETED: 2019-20 TO 2021-22



% CHANGE 2019-20 TO 2021-22



67% CHANGE 2021-22 ON 2020-21



PERFORMANCE ANALYSIS

PBNI manages performance against the 2021-22 Business Plan Outcomes. Progress and the potential risk or uncertainty of non-achieving is monitored on a quarterly basis by the Senior Leadership Team and the ARM Meetings by reviewing the Business Plan objectives along with the SRR. The results are reported to the Policy and Practice Committee and to the Board. The DoJ also receives a progress report as part of arrangements for governance reporting. The performance against the 2021-22 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: To comply with Government regulations and guidance to keep staff safe in the workplace and deliver PBNI services</p> <p>INDICATOR: 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 have been reviewed and updated following each Recovery Group meeting. • The Recovery Group has received feedback from staff on a monthly basis and Practice Standards have been updated as required. • PBNI has contributed to national and international practice learning in response to COVID-19 through the Confederation of European Probation and various cross border initiatives. • Regular communication and collaboration has been ongoing with DoJ officials in response to the pandemic. 	GREEN

**STRATEGIC PRIORITY 2:
Shaping and Influencing Criminal Justice Policy and Practice**

BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>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</p> <p>INDICATOR: 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"> • Due to the Covid-19 pandemic there was an initial reduction in PBNI's caseload. However, by the end of 21-22 recovery was well underway with an increase of 12% when compared with the same date the previous year. • The Restorative Justice Framework Action Plan including the establishment of an Restorative Justice (RJ) Forum, further training and embedding of practice, has been implemented. • PBNI has also contributed to the DoJ Implementation Group for the Adult Restorative Justice Strategy which includes a number of workstreams. • Research findings have been published in international peer reviewed journals & Irish Probation Journal. • Research Projects are ongoing with a range of Universities and professional bodies. • The Criminal Justice Inspection Northern Ireland (CJINI) Report on Women and Girls in the Criminal Justice System has been published. An action plan has been developed and work is ongoing. • Court sentencing data for 2020 has been analysed and work is ongoing. • PBNI continue to implement relevant actions from the Domestic and Sexual Violence Strategy including participating in a number of Domestic Homicide Reviews in Northern Ireland. • The new Inspire team has been launched across PBNI and the 'Beyond Violence' programme was implemented for female service users in the community. • PBNI now Co-Chair the Northern Ireland Forensic Advisory Board with Dept of Health. • PBNI Psychology and 2 Health Trusts (Northern and Southern) have piloted direct referral pathways with GPs in the Newry and Causeway localities. • A Memorandum of Understanding regarding information sharing has been shared with the GP Federation Mental health leads and a workshop has been held in Newry. 	<p>GREEN</p>

**STRATEGIC PRIORITY 2:
Shaping and Influencing Criminal Justice Policy and Practice**

BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>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</p> <p>INDICATOR: 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"> • PBNI has promoted community based sentences in several DoJ-led discussions on the Sentencing Review, influencing submissions to the Justice Committee. No actions forthcoming to date. • PBNI contribute to the Hate Crime Legislation Steering group and associated working groups towards the Hate Crime Review. • PBNI has been represented on the Gillen Training Sub Group and has contributed to the development of a Sexual Violence Multi-Agency Learning Framework. PBNI has developed a Learning Activity on the Dynamics of Sexual Abuse (suspects). • PBNI continues to contribute to the development of wider DoJ research themes on the Department led Research Advisory Group. 	<p style="background-color: #92d050; height: 100%;"></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: Reduce reoffending through innovative rehabilitative interventions</p> <p>INDICATOR: Deliver and evaluate problem solving approaches within PBNI</p>	<ul style="list-style-type: none"> • Evaluations have been completed on the Substance Misuse Court, Providing Positive Relationships Programme (PPRP) and the Enhanced Combination Order (ECO) evaluation is ongoing. • All the evaluations have reported positive progress on reducing reoffending or reduction in drug/alcohol use and an increase in mental health and well-being. • PBNI continue to deliver the Problem Solving Justice (PSJ) initiatives. Work with the Centre for Court Innovation and the Centre for Justice Innovation remains active. • Internal and external communication plan in place in relation to increasing uptake of Enhanced Combination Orders and a Business case to extend ECOs to area 3 has been drafted. • Funding has been provided to Community Voluntary Sector (CVS) projects in line with contracts. • A Review of the effectiveness of CVS funded projects has been completed, and a Task and Finish Group was established to implement recommendations. • Partnership with the Irish Football Association has delivered two rounds of the Connect Programme. • PBNI has met with Department of Communities and PSNI in relation to Fresh Start through Sport which is funded under the Tackling Paramilitarism Programme. • A pilot boxing project is being developed in North Belfast to explore rehabilitative opportunities for PBNI service users. • Derry & Strabane Council have commenced the Graffiti Removal Service scheme. • A three year workplan was approved at the Inter Governmental Agreement meeting in June 2021 with the Minister highlighting some key areas of cross border developments. • Senior managers have met with Probation Service colleagues on several projects and actions from the Work Programme will progress for 2022. • Personality Disorder and Mental Health & Brain Injury training delivered. • Review of Duke of Edinburgh Delivery Framework took place and the Duke of Edinburgh licence has been signed for a further three year period. 	GREEN

**STRATEGIC PRIORITY 4:
Demonstrating Effectiveness and Efficiency**

BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME: Demonstrating value for money and an effective probation service</p> <p>INDICATOR: Maintain the 2019-20 level of successfully completed orders/licences</p>	<ul style="list-style-type: none"> • The level of successfully completed orders/licences was maintained at 82%. • All actions that PBNI are responsible for in the CJINI Probation Practice Inspection are complete; this was shared with the Justice Committee in September 2021. • Framework for ongoing reporting of effectiveness and impact has been devised • The Performance Practice and Research Unit have completed a number of audit reports that have been shared with staff. Work is ongoing on the recommendations from each report. • Year 1 activities listed in the ICT Strategy have been achieved. • Infrastructure and integration layer complete in the incremental Onboarding to Causeway. • The first phase of the Electronic Document Records Management System (EDRMS) Content Manager has been rolled out to Corporate Services staff in IT, Finance and Communications and Compliance. Training for these teams has taken place and guidance issued. • Project Board have agreed that IT Assist & Dept for Infrastructure (DFI) will offer quality assurance but the project manager will be responsible for building the EDRMS data set. • Additional funding received in October Monitoring to deal with in year pressures. PBNI projected to break even at year end. • Underspend position for full year achieved for resource and capital budgets. • Business case for new premises in Enniskillen being progressed with DoJ/Department of Finance (DoF). • Lease renewal approved for all in year lease breaks. • Maintenance work ongoing in line with agreed schedule on basis of condition reports received. • Human Resources and Payroll Integrated System: Project is at implementation stage after successful appointment of Midland HR to deliver iTrent Integrated HR and Payroll Software. Project Board and Team in place to deliver project over 2 stages with stage 1 completing by end of Q1 and second stage to start in Q4 and complete by Q2 of 2022-23. 	<p>GREEN</p>

**STRATEGIC PRIORITY 5:
Valuing and Developing Our People**

BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p>KEY OUTCOME: To be a high performing organisation within the current operating context</p> <p>INDICATOR: Improved staff attendance and staff engagement</p>	<p>Year 2 action plan of the People Strategy in the areas of:</p> <ul style="list-style-type: none"> • Culture; • Wellbeing; • Succession planning/Talent Management/Leadership (including a new competency framework); • Equality and Inclusion has been delivered with highlight achievements being; • Culture Survey undertaken and report published, with Action Planning workshops held, results communicated to all staff. Employee Engagement survey mechanism being researched to allow for benchmarking and reporting; • Well Being Strategy developed. Successful launch of range of initiatives to support wellbeing at individual and corporate level including training of 12 Mental Health First Aiders. A fundamental review of Resourcing undertaken to include review of Mobility Policy; • A new Learning and Organisational Development structure has been implemented and new staff in post to support improving organisational learning and development and team has successfully delivered a range of L&D initiatives, including development of New Manager Development programme and 5 Social Work Student Placements during 2022, with Practice Teachers and Practice Learning Co-ordinator in place to support programme; • Equality Report for Equality Commission NI completed and sent to Equality Commission for Northern Ireland (ECNI). Meetings to be held with ECNI and training needs identified in relation to Section 75; • Consultation with Trade Unions is ongoing to modernise pay framework; • PBNI have signed up to networking and benchmarking organisation - Diversity Mark so that we can better promote diversity and inclusiveness in our organisation; and • PBNI staff absence has increased during the 2021-22 year to 11.5 days working days. Further details are set out on page 67. 	<p>AMBER</p>

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: Ensuring a wider understanding and awareness of the work of PBNI</p> <p>INDICATOR: Increased understanding and awareness as measured through effective engagement and stakeholder surveys</p>	<ul style="list-style-type: none"> • As part of a formal review of PBNI’s CVS funding procedure, partner organisations were issued with a survey to establish and incorporate views. Survey returns were followed up with subsequent engagements with the Chief Executive to promote stakeholders’ engagement. • In response to 2020 Internal Communications Survey, an Internal Communications and Engagement Plan 2021-22 was developed and implemented. • Team Briefing system and Virtual Town Hall event introduced in 2021 to enhance engagement & communication in PBNI. • Guest contributor section of Probation News introduced and evaluated to help staff explain their role in PBNI. • Chief Executive’s engagement plan developed and implemented to raise awareness of role of PBNI internally and externally. • Chief Executive has met all PBNI staff teams throughout NI in during 2021-22 as part of internal engagement plan. • Social media forward plan for 2021-22 developed and implemented. • Social media evaluation has taken place to inform 2022-23 Social Media Plan. • Over 35 Social media campaigns have been designed and executed in 2021-22. • A number of videos and infographics have been produced and featured on the website, intranet and social media. These resources describe the work of PBNI. • 7 articles have been submitted to the Confederation of European Probation (CEP), and published in their newsletter and on social media. • Head of Communications has attended the CEP technology expert working group and Director of Rehabilitation presented virtually at the CEP/Europris workshop on Domestic Violence. • Head of Communications is a member of International Criminal Justice Network (IN-CJ) planning group and arranging a number of international seminars to profile work of probation. • 2021 Irish Probation Journal has been published. 	GREEN

Work Undertaken during 2021-22

Report Writing

In 2021-22, the Probation Board provided 7,049 reports to assist decision making in the criminal justice process, of which 3,706 were Magistrates' Court Reports to assist judges' decisions regarding the types of sentences to give at criminal courts. A total of 1,523 Pre-Sentence Reports and 791 addendum reports were also provided. Of the total reports completed during 2021-22, 73% were provided to Magistrates' Courts with 25% provided to Crown Court.

Table 1 provides a summary of the types of reports completed by the Probation Board over the past three years. The previous year had been significantly impacted by Covid-19, and this figure represents the recovery of the Court system. As can be seen from the numbers below, court work is now at pre-pandemic levels.

Table 1: Reports* Completed: 2019-20 to 2021-22

Type of Report	2019-20	2020-21	2021-22	% change 2021 - 22 on 2020-21
Pre-Sentence Report	1,191	399	1523	282%
Magistrates' Court Reports	2,987	1,607	3,706	131%
Addendum Report	1,337	260	791	204%
Breach / Recall / Revocation Reports	1,379	304	803	164%
Parole Commissioners/Life Sentence Unit Reports	30	0	0	-
Other*	1,585	1,653	226	-86%
Total Reports**	8,509	4,223	7,049	67%

- Percentage change is not shown as the denominator is less than 50.

* Includes Home Circumstances Report, Probation Officers Report, Prison Release Plan, Home Leave Report and reports with missing submitted dates or report type.

** Total Reports exclude explanatory letters to courts.

Court Orders

There was a 49% increase in the number of new statutory orders requiring PBNI supervision since the same period last year, with 3,362 made in the 2021-22 financial year.

The 2020-21 year was significantly impacted by Covid, with 2021-22 seeing significant recovery. In terms of the main community disposals, Community Service Orders saw the largest increase with 133% more made in 2021-22. Combination Orders increased by 54% since last year and Probation Orders increased by 36%. New Determinate Custodial Sentences increased by 225 (41%) from the same period a year ago.

Table 2: New Supervision Orders starting during the year: 2019-20 to 2021-22

Type of Supervision		2019-20	2020-21	2021-22	% change 2021-22 on 2020-21
Orders	Combination Order	412	248	383	54%
	Community Service Order	786	239	557	133%
	Custody Probation Order	14	12	29	-
	Determinate Custodial Sentence	492	547	772	41%
	Enhanced Combination Order	170	117	138	18%
	Juvenile Justice Centre Order	22	6	6	-
	Probation Order	1,299	1,037	1,410	36%
	Other Orders*	31	0	2	-
Licences	Life/Sentence Licence	1	3	4	-
	Sex Offender Licence	7	11	7	-
	GB Licence	27	7	8	-
Public Protection Sentences	Extended Custodial Sentence	20	20	44	-
	Indeterminate Custodial Sentence	8	3	2	-
Total Orders **		3,289	2,250	3,362	49%

- Percentage change is not shown as the denominator is less than 50.

* Includes Community Responsibility Order, Supervised Activity Order and Supervision & Treatment Order.

** Please note that a person can receive more than one new order during the year. New Non-statutory cases are not included in these figures.

Orders Supervised at a Point in Time

At the end of March 2022, the Probation Board was supervising 4,395 people subject to 5,502 court orders, an increase of 25% and 35% on the position twelve months previously. A breakdown of the types of orders under PBNI supervision at 31 March 2022 is given in Table 3. More than three-quarters of people (82%) were allocated to PBNI teams in the community, with the remainder in custody.

All community orders under supervision have seen increases over the year with increases of 18 to 80% in Combination Orders, Enhanced Combination Orders and Community Service orders. The number of Determinate Custodial Sentences under supervision increased 30% at 1,516, while Extended Custodial Sentences increased by 25% from March 2021.

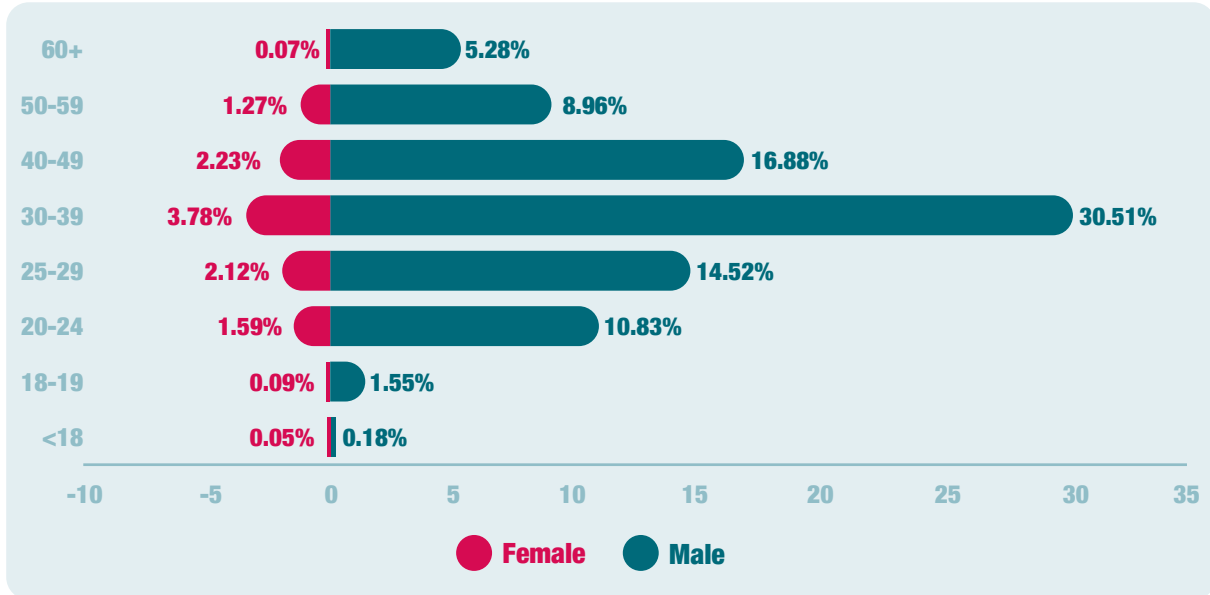
Table 3: Orders supervised at point in time: 31 March 2020 – 31 March 2022

Type of Supervision		Mar 20	Mar-21	Mar-22	% change Mar 2022 on Mar 2021
Orders	Combination Order	460	367	493	34%
	Community Service Order	530	375	676	80%
	Custody Probation Order	39	40	87	118%
	Juvenile Justice Centre Order	12	4	3	-
	Probation Order	1,541	1,391	1,919	38%
	Enhanced Combination Order	244	184	217	18%
	Other Orders*	3	1	3	-
	Determinate Custodial Sentence	1,168	1,168	1,516	30%
Licences	Life/Sentence Licence	244	233	234	0%
	Sex Offender Licence	75	70	68	-3%
	GB Licence	51	33	32	-
Public Protection Sentences	Extended Custodial Sentence	174	152	190	25%
	Indeterminate Custodial Sentence	48	55	54	-2%
Non-statutory Sentences	Inescapable Voluntary	13	-	-	-
	Remand/Sentence	2	1	1	-
	Other			9	-
Total Orders	4,604	4,074	5,502	35%	
Total People	4,216	3,507	4,395	25%	

- Percentage change is not shown as the denominator is less than 50.

* Includes Community Responsibility Order, Supervised Activity Order and Supervision & Treatment Order. Note that the Enhanced Combination Order pilot started operating during 2015-16.

Gender and Age profile of people supervised by PBNI at 31 March 2022



This diagram shows the breakdown of the current PBNI caseload by gender and age profile. The largest cohort of supervisees is in the 30-39 age group. The percentage of women on caseload is 12%.

Victim Information Scheme

There were 280 new registrations to the PBNI Victim Information Scheme during 2021-22 (2020-21: 259). At the end of March 2022 there were 496 victims registered on the Scheme (March 2021: 368), of which 1 in 3 were male.

Financial Review

The financial results for the PBNI are set out on page 80, in the Statement of Comprehensive Net Expenditure. The deficit for the year transferred to General Reserve was £26,893k (2020-21: £25,335k).

Net Expenditure Review

The net expenditure of Probation Board for 2021-22 is compared to the previous two financial years in the following table:

Net Expenditure Summary

	restated		
	2021-22 £'000	2020-21 £'000	2019-20 £'000
Total operating income	(2,013)	(2,079)	(2,160)
Staff costs	21,307	19,759	18,174
Purchase of goods and services	4,197	4,214	4,056
Depreciation and Impairment charges	528	379	455
Grants	2,028	2,378	2,144
Total operating expenditure	28,060	26,730	24,829
Net operating expenditure	26,047	24,651	22,669
Finance income	(3)	(3)	(2)
Provision Finance expense	826	686	373
Net expenditure for the year	26,870	25,334	23,040

The Statement of Comprehensive Net Expenditure shows net expenditure before taxation of £26,870k (2020-21: £25,334k) an increase of £1,536k. This is mainly due to increased staff costs.

The overall Comprehensive Net Expenditure for the year is £7,854k (2020-21 £32,161k), which represents a decrease of £24,307k compared to the previous year. This is largely due to a significant actuarial gain on pension provision of £19,011k, compared to an actuarial loss of £6,828k in 2020-21.

Summary of Actual Expenditure Against Budget

For 2021-22, PBNI had a net Department Expenditure Limit (DEL) operating cost of £22,077k which was £749k less than the net budget allocation of £22,826k. Operating cost includes £222k of expenditure on COVID-19 related supplies and services. The net capital expenditure of £156k was £834k lower than the net budget allocation of £990k. A comparison of net DEL operating costs against budget is summarised in the following table:

Table: Summary of Actual Expenditure Against Budget

	2021-22 actual* £'000	2021-22 budget* £'000	Variance £'000	Variance %
Net Operating Costs* (excluding depreciation)	21,549	22,426	877	3.9%
Depreciation	528	400	(128)	(32.0)%
Net Operating Costs*	22,077	22,826	749	3.3%
Net Capital Expenditure	156	990	834	84.2%
Overall Total Expenditure	22,233	23,816	1,583	6.6%

*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 table below.

Table: 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	26,870
Exclude Current Service Cost (AME cost)	(6,346)
Include cash payment of provision (DEL cost)	2,441
Exclude pension borrowing costs (AME cost)	(826)
Exclude administration costs (AME cost)	(62)
Net Operating Costs	22,077

COVID-19

The Probation Board did not deliver any COVID-19 Government Support schemes in 2021-22. Operating Costs included £222k 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 £3,511k at 31 March 2022 (£3,549k 31 March 2021).

PBNI's net capital DEL expenditure in 2021-22 totalled £156k (2020-21 £1,013k).

Financial Position

The Probation Board's Statement of Financial Position shows net liabilities of £25,684k (2020-21 £39,931k). The main reason for the decrease of £14,247k is due to the movement in the pension liability of £14,218k 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 2022

	31 Mar 22 £'000	31 Mar 21 £'000	Percentage Change in Liability
Opening Defined Benefit Obligation	164,251	132,769	23.7%
Interest on the obligation	3,423	3,024	13.2%
Service and Administration Costs	6,408	4,311	48.6%
Contributions by members	809	745	8.6%
Actuarial loss	(11,946)	26,782	(144.6%)
Estimated benefits paid	(3,403)	(3,380)	(0.7%)
Closing Defined Benefit Obligation	159,542	164,251	(2.9%)

The decrease in the pension liability, together with an increase in the value of pension scheme assets, has resulted in a significantly lower year end net deficit of £26,325k (2020-21: £40,543k). Details of all pension movements are contained in Note 11 to the accounts.

Cash Flow

The Probation Board's net increase in cash and cash equivalents in the year is £144k (2021-22 £97k 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 2021-22 showed that 91.4% (92.0% for 2020-21) of invoices were paid within 10 working days following receipt of a properly rendered invoice. 96.5% (97.3% for 2020-21) 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 2021-22 and also with the development of the 2022-23 programme. 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 2021-22, albeit some were done remotely due to COVID-19 restrictions), including the following:

- Provision of wellbeing portal/6-month programme from February to July 2021 (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, mental health awareness was promoted.

- Webinar promoting financial pre-retirement advice and where to access information / support from was provided in February 2022 and financial toolkit offered to staff.
- Training to line managers on the Talking Toolkit – Preventing Work Related stress by Health and Safety Executive (HSE) NI was held over three events in September 2021.
- Health checks offered to staff over three days in March 2022.
- Four nutrition workshops provided to staff on female health, male health, good mental health and good physical health.
- The following classes were held from May to November 2021:
 - High Intensity Interval Training classes x 6;
 - Yoga classes x 4;
 - Pilates classes x 4; and
 - Mindfulness classes x 4.

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 takes pride in its proactive approach to initiatives which have included continued participation in the Carbon Reduction Commitment Energy Efficiency Scheme. The Northern Ireland Civil Service (NICS) -wide contract for Recycling of Dry Office Waste is also being used by PBNI.

In February 2015, Central Procurement Directorate (CPD) issued a Procurement Guidance note PGN02/14 which enforces that procurement must be carried out in accordance with energy standards under Energy Efficiency Directive1 (EED) adopted by the European Union (EU). PBNI has adopted this guidance note.

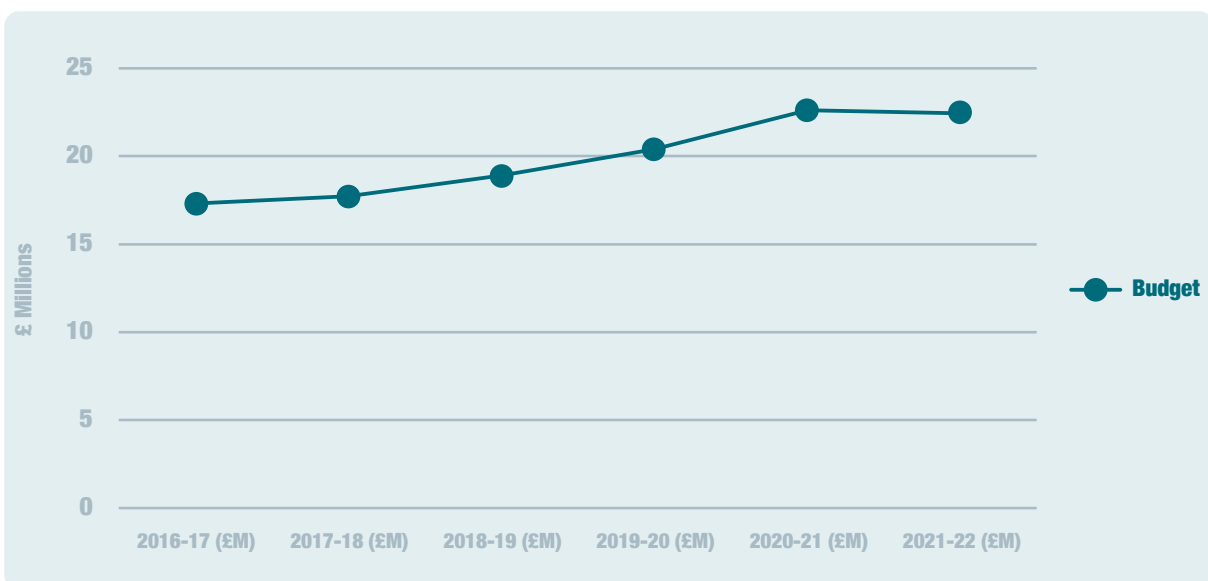
Updated condition reports were carried out in 2020-21 along with Energy Performance Certificates for all free hold properties. The condition reports have identified areas where improvements in the estate’s energy efficiency could be targeted. Projects are being taken forward with Property Services Division (PSD).

The new Estates Strategy will include a key objective to improve our estates sustainability/energy efficiency rating.

Long-term Expenditure Trends

The chart below captures the long-term summary budget profile of the PBNI budget over the financial years 2016-17 to 2021-22.

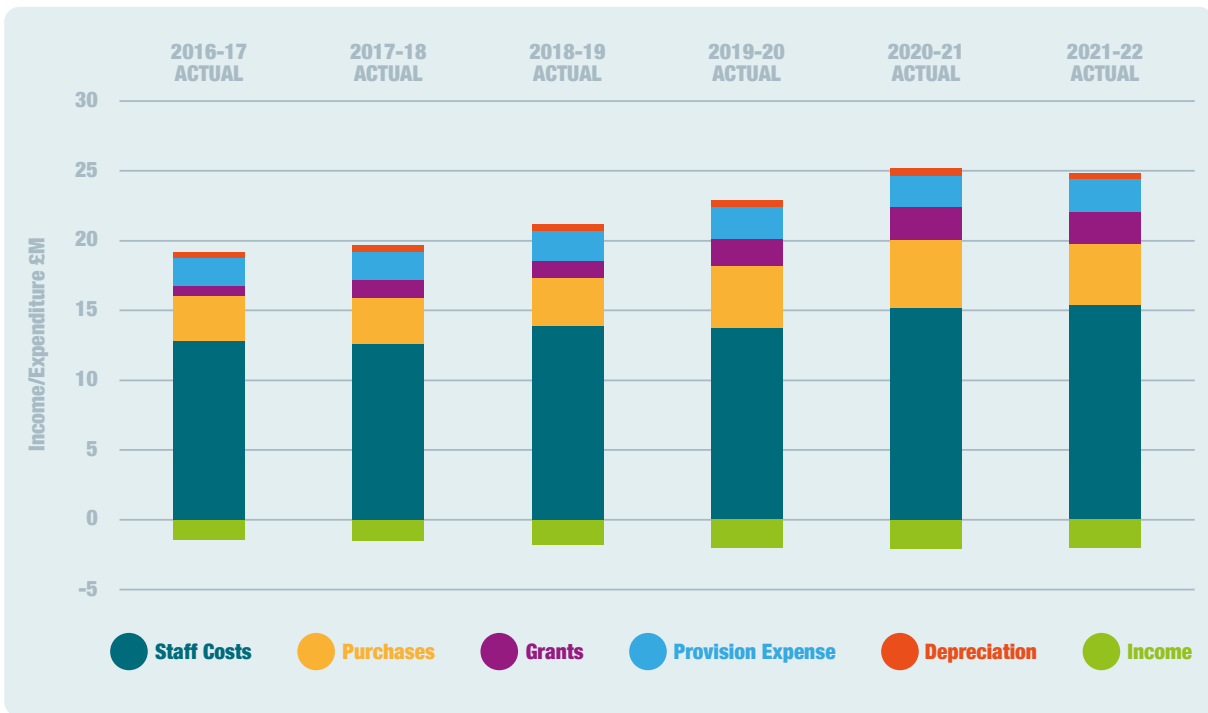
DEL Budget 2016-17 to 2021-22



The chart on the previous page shows the final allocated budgets for 2016-17 to 2021-22. PBNI’s opening resource budget (excluding depreciation) for 2021-22 was £20,612k.

Additional funding of £1,814k was granted in year to meet pressures, including those attributable to COVID-19, Aspire and Engage programmes. The final resource budget (excluding depreciation) was £22,426k.

The following chart shows the final PBNI resource budgets for 2016-17 to 2020-21 and the current resource budget for 2021-22, split by the major expense headings.



Amanda Stewart

Amanda Stewart

Chief Executive

4 July 2022



PBNI Probation Board
for Northern Ireland

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:

- Directors' 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.

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 senior executives. They meet monthly to address standing agenda items such as financial resourcing, operational management, health and safety and other emerging issues.

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

Ms C Lamont CBE	Chief Executive (retired on 30 June 2021)
Ms A Stewart	Chief Executive (from 4 October 2021)
Mr H Hamill	Interim Chief Executive (from 4 May 2021 to 3 October 2021) Director of Operations (until 3 May 2021)
Ms G Montgomery	Acting Director of Operations (from 4 May 2021)
Dr G O'Hare	Acting Director of Rehabilitation
Mrs G Robinson	Head of Human Resources & Organisational Development (until 30 April 2021)
Ms C Sweeney	Head of Human Resources & Organisational Development (from 1 May 2021)
Ms C Teggart	Head of Finance & Estates (until 5 September 2021)
Mr P King	Head of Finance & Estates (from 1 November 2021)

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 2022 stood at 13 (Chair and 12 other members). A Deputy Chair has not yet been appointed.

Details of Board Members during 2021-22 are as follows:

The 12th Board Term of Office (until 28 February 2022):

Mr D Ashford QFSM	Board Chair
Mr N Bodger	Deputy Chair
Dr J Byrne	Member
Mr K Donaghy	Member
Dr T Donaldson	Member (until 30 November 2021)
Mr P Douglas	Member
Mrs J Gillespie CBE	Member
Ms P Keenan	Member
Mr M Murray CBE	Member
Mr G OhEara	Member
Mr Wall OBE	Member
Mrs J Anderson*	Boardroom Apprentice
Ms D Gilchrist*	Boardroom Apprentice

*Mrs Anderson and Ms Gilchrist are participants on the Boardroom Apprentice Scheme. They were assigned to the Probation Board in September 2020 and September 2021 respectively for a period of one year. Mrs Anderson and Ms Gilchrist do not have any decision-making role on the Board or its Committees.

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	Member
Mr M Murray CBE	Board Chair
Ms E Patterson	Member
Mr D Gilchrist*	Boardroom Apprentice

*Ms Gilchrist is a participant on the Boardroom Apprentice Scheme. She was assigned to the Probation Board in September 2021 for a period of one year. Ms Gilchrist does 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 2021-22 are as follows:

Mr N Bodger	Chair
Dr T Donaldson	Deputy Chair (until 30 November 2021)
Mr K Donaghy	Member
Mr M Murray CBE	Member
Mr P Douglas	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 Director 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 16 to the Accounts provide details of any relevant related party transactions.

Personal Data Related Incidents 2021-22

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. One incident was reported to the Information Commissioner's Office (ICO) in 2021-22 and one incident was reported to the DoJ.

There were 22 localised incidents in the reporting period, which were thoroughly investigated and did not require reporting to the Information Commissioner's Office or DoJ.

Memoranda relating to the learning from the localised incidents were issued to all staff in respect of Information Assurance throughout the 2021-22 year.

The following Information Assurance training programmes were available to PBNI staff by e-learning during 2021-22:

- GDPR Awareness; and
- Records Management

The Senior Information Risk Owner is the Director of Rehabilitation Geraldine O'Hare, who is responsible for providing the focus for the management of information risk. The SIRO is responsible for providing the Accounting Officer with 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. In 2021-22 there were 72 subject access requests responded to by the Compliance Unit of PBNI. Training on how to respond to data protection requests, data sharing and data incidents was also delivered via video link and viewing this training is mandatory for all staff.

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 2021-22 the Probation Board received 20 complaints, (2020-21: 26 Complaints), which represents a decrease of six 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. Four complaints proceeded through to the formal investigation stage.

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 published by the HM Treasury.

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 three year 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 2021-22: 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 of 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 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 (DoJ). 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 the 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 Minister for Justice made appointments for the 13th Board during the 2021-22 year.

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 39. 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 overleaf provides details of the number of Board and Audit and Risk Assurance Committee 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 four 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 four 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 Deputy Board Chair, as Chair of the Audit and Risk Assurance Committee was not eligible to sit on the Remuneration Committee during the reporting period. The Board's Remuneration Committee met three times during the year.

(vii) Emergency Committee

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

(viii) Special Board Meeting

There was one Special Board Meeting 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.

Name	Board Attendance	Audit & Risk Assurance Attendance	Corporate Resources Committee Attendance	Police & Practice Committee attendance
Mr D Ashford QFSM	11/11		4/4	4/4
Mr N Bodger (1)	9/12	5/5		
Dr J Byrne (1)	10/12			4/4
Mr K Donaghy (1)	11/12	5/5	4/4	
Dr T Donaldson (2)	4/7	2/4		
Mr P Douglas	8/11	5/5	4/4	
Mrs J Gillespie CBE	10/11		4/4	
Ms P Keenan	6/11		4/4	
Mr M Murray CBE (1)	12/12	5/5		4/4
Mr G OhEara	11/11			4/4
Mr Wall OBE	10/11			4/4
Mr P Barnes MBE OLY (3)	1/1			
Ms M Brunt(3)	1/1			
Mr K Donaghy (3)	1/1			
Mr B Ingram OBE (3)	1/1			
Mr J Johnston CBE (3)	1/1			
Dr M Keady (3)	1/1			
Ms A Lloyd-Stevens (3)	1/1			
Ms C Magee (3)	1/1			
Ms B Mongan (3)	1/1			
Ms E Patterson (3)	1/1			

(1) Members of 12th and 13th term of the Board

(2) Member resigned from 30 November 2021

(3) Members of 13th term of the Board from 1 March 2022

PBNI participates in the Boardroom Apprentice Scheme. During the 2021-22 year, PBNI had two participants Mrs Anderson and Ms Gilchrist. They were assigned to the Probation Board in September 2020 and September 2021 respectively for a period of one year. Mrs Anderson and Ms Gilchrist 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. Four reviews were carried out by internal audit during 2021-22 on; PBNI Electronic Case Management System, Corporate Governance, Sickness Absence and Procurement and Contract Management.

(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 11.

An Audit and Risk Management Group meets quarterly to review PBNI's Strategic Risk Register, consider escalation / de-escalation of risks between the departmental and strategic risk registers and conducts 'horizon scanning' for emerging risks. The group also monitors progress in respect of the implementation of recommendations arising from Internal Audit and external inspections.

A review of the Risk Management Policy is currently underway 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 Chairs 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 carried out a self assessment review in November 2021. This was used to develop a Governance Action Plan that was approved at the February Board meeting. An internal audit into PBNI governance was also carried out in year receiving a satisfactory assurance rating.

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

In accordance with the Corporate Governance Code of Good Practice, a Management Statement and Financial Memorandum (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 November 2014 in line with the Code of Conduct for Board Members of Public Bodies from the Department of Finance. A review of the Code is ongoing.

(iv) Ministerial Directions

There were no Ministerial Directions sought or issued during 2021-22.

(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 2021-22.

Policies Approved in 2021-22:

- Significant Risk of Harm to Others Policy
- Child Protection Policy
- Email and Internet Policy
- Mobile Device Policy
- Retirement Policy and Procedure
- Data Protection Policy
- Freedom of Information

Quarterly / Annual Reports Approved in 2021-2022

- Board Annual Report Submission
- Q4 Strategic Risk Register 2020-21
- Draft Strategic Risk Register 2021-22
- Draft Annual Accounts for review
- Sickness Absence Year End Report
- Annual Report and Accounts 2020-21
- Q4 Business Plan 2020-21
- Q1 Business Plan 2021-22
- Q1 Strategic Risk Register 2021-22
- Q2 Strategic Risk Register 2021-2022
- Q2 Business Plan 2021-22
- Q3 Strategic Risk Register 2021-22
- Q3 Business Plan 2021-22
- Draft Business Plan 2022-23

Quarterly / Annual Reports Noted in 2021-22

- Pension Valuations and Assumptions
- Review of PBNI Audit Strategy
- Year End Annual Caseload 2020-21
- Deaths under supervision annual report
- Good Relations and Equality Report
- Q1 2021-22 Caseload Statistics
- Serious Fraud Office (SFO) Annual Report
- Report to Those Charged with Governance
- Q2 2021-22 Caseload Statistics
- Criminal Justice Trends
- NILGOSC Annual Report and Accounts 2020-21
- Reoffending Report

Items also approved by the Board:

- Pay Proposals for 2020-21 and 2021-22
- Funding Review – Draft Budget 2022-25

Presentations:

- Anthony Harbinson and Glyn Capper – Problem Solving Justice Initiative – PPC

(i) Achievements

During the year 2021-22, PBNI received **satisfactory assurance** on all four scheduled internal audit reports. PBNI is working towards implementing all of 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 PBNI has been addressing the following significant internal control issues:

- All pay remits for all groups of staff have been approved and paid up to and including 2021-22. PBNI has started work on a program of pay modernisation to review and revise the pay framework for staff.
- PBNI's overall Security Assessment level was re-assessed in February 2020 and December 2018 as "Moderate", having been assessed as "Substantial" following threat assessments in September 2017 and March 2018. The moderate assessment was reconfirmed in February 2020. A solution regarding Terrorist/Politically Motivated Offender (TPMO) has been put in place.
- An internal audit review of PBNI case management system received limited assurance in 2014-15 and a follow up audit on 2016-2017 received the same assurance level. The audits made a number of recommendations, and these helped inform the specification for the new Electronic Case Management System (ECMS). The new system was fully delivered on March 2021 with all the recommendations now fully implemented and a satisfactory internal audit review concluded in year.

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 2021-22 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 2022-23.

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 Payments (£'000)		Benefits in Kind (to nearest £100)		Pension Benefits * (to nearest £1,000)		Total £'000	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Ms C Lamont <i>Chief Executive (until 30 June 2021)</i>	20-25 (Full year Equivalent 95-100)	100-105	0-5	0-5		-	(5)	41	20-25	140-145
Ms A Stewart <i>Chief Executive (from 4 October 2021)</i>	40-45 (Full year Equivalent 85-90)	-	-	-	100	-	14	-	55-60	
Dr G O'Hare <i>Acting Director of Rehabilitation</i>	75-80	70-75	-	-	100	-	28	24	105-110	95-100
Mr H Hamill <i>Interim Chief Executive (from 4 May to 3 October 2021) & Director of Operations (until 3 May 2021)</i>	55-60 (Full year Equivalent 95-100)	75-80	-	-	100	-	66	35	120-125	110-115
Ms G Montgomery <i>Acting Director of Operations</i>	65-70 (Full year Equivalent 70-75)	-	-	-	100	-	73	-	140-145	-
Mrs G Robinson <i>Head of Human Resources (until 30 April 2021)</i>	10-15 (Full year Equivalent 70-75)	70-75	-	-		100	2	27	10-15	95-100
Ms C Sweeney <i>Head of Human Resources (from 1 May 2021)</i>	55-60 (Full year Equivalent 60-65)	-	-	-	100	-	58	-	110-115	-
Ms C Teggart <i>Head of Finance (until 5 September 2021)</i>	30-35 (Full year Equivalent 65-70)	60-65		-		-	4	26	35-40	85-90
Mr P King <i>Head of Finance (from 1 November 2021)</i>	20-25 (Full year Equivalent 55-60)	-	-	-			8	-	30-35	-

*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. The bonuses reported in 2021-22 relate to the performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to the performance in 2019-20.

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 12th Board Term of Office (until 28 February 2022):

Name	Role	£'000
Mr D Ashford QFSM	Board Chair	30-35
Mr N Bodger	Deputy Chair	5-10
Dr J Byrne	Member	5-10
Mr K Donaghy	Member	5-10
Dr T Donaldson*	Member (until 30 November 2021)	0-5
Mr P Douglas	Member	0-5
Mrs J Gillespie CBE	Member	0-5
Ms P Keenan	Member	0-5
Mr M Murray CBE	Member	5-10
Mr G OhEara	Member	0-5
Mr D Wall OBE	Member	0-5

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

Name	Role	£'000
Mr P Barnes MBE OLY	Member	0-5
Mr N Bodger	Member	5-10
Ms M Brunt	Member	0-5
Dr J Byrne	Member	5-10
Mr K Donaghy	Member	5-10
Mr B Ingram OBE	Member	0-5
Mr J Johnston CBE	Member	0-5
Dr M Keady	Member	0-5
Ms A Lloyd-Stevens	Member	0-5
Ms C Magee	Member	0-5
Ms B Mongan	Member	0-5
Mr M Murray CBE	Board Chair	5-10
Ms E Patterson	Member	0-5
Mr D Gilchrist*	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:

	2021-22	2020-21
Band of the Highest Paid Directors Remuneration	85-90,000	100-105,000
Median		
Total Pay and Benefits	32,666	30,860
Salary Component	32,666	30,860
Ratio	2.68	3.32
25th Quartile		
Total Remuneration	26,024	25,299
Salary Component	26,024	25,299
Ratio	3.36	4.05
75th Quartile		
Total Pay & Benefits	37,311	35,101
Salary Component	37,311	35,101
Ratio	2.35	2.92

The ratios regarding the highest paid director have fallen from 2020-21 owing to a decrease in the banding of the highest paid director and an increase in the total pay figures owing to the implementation of pay awards in year. PBNI believes the median pay ratio for 2021-22 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 decreased by 14.6% from 2020-21, and the performance pay and bonuses have decreased by 100% from 2020-21. The average salary and allowances for the PBNI workforce has increased by 11.1% from 2020-21. No performance pay or bonuses were made to PBNI staff in either 2020-21 or 2021-22.

In 2021-22, no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £20,000 to £88,000 (2020-21: £19,000 to £103,000)

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 31/3/22 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/22 £'000	CETV at 31/03/21 £'000	Real increase in CETV £'000
Ms C Lamont CBE <i>Chief Executive</i>	50-55 plus lump sum of 85-90	(0-2.5) plus lump sum (0-2.5)	1,071	1,068	(7)
Ms A Stewart <i>Chief Executive</i>	0-5	0-2.5	10	-	7
Dr G O'Hare <i>Director of Rehabilitation</i>	25-30 plus lump sum of 35-40	0-2.5 plus lump sum 0-2.5	485	437	27
Mr H Hamill <i>Director of Operations</i>	35-40 plus lump sum of 60-65	0-2.5 plus lump sum 5-7.5	799	717	64
Mrs G Montgomery <i>Director of Operations</i>	15-20 plus lump sum 10-15	2.5-5.0 plus lump sum 2.5-5.0	228	175	42
Mrs G Robinson <i>Head of Human Resources</i>	15-20 plus lump sum 0-5	0-2.5 plus lump sum (0-2.5)	199	197	1
Mrs C Sweeney <i>Head of Human Resources</i>	20-25 plus lump sum 25-30	2.5-5.0 plus lump sum 2.5-5.0	397	326	56
Ms C Teggart <i>Head of Finance</i>	15-20 plus lump sum 10-15	0-2.5 plus lump sum (0-2.5)	224	214	6
Mr P King <i>Head of Finance</i>	0-5	0-2.5	5	-	3

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 2021-22 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 2021-22 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. 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 2020-21).

STAFF REPORT

Staff Costs (AUDITED INFORMATION)

Staff costs are captured in the table below:

			2021-22	2020-21
			£'000	£'000
	Permanently Employed Staff	Others	Total	Total
Wages and salaries	12,603	933	13,536	14,269
Social security costs	1,425	-	1,425	1,236
Other pension costs	6,346	-	6,346	4,254
Sub Total	20,374	933	21,307	19,759
Less recoveries in respect of outward secondments	(156)	-	(156)	(104)
Total net costs	20,218	933	21,151	19,655
Of which:	Charged to Programme	Charged to Others	Total	
PBNI	21,151	-	21,151	
Total net costs	21,151	-	21,151	

The average number of staff employed by the Probation Board during 2021-22 was as follows:

(AUDITED INFORMATION)

	Permanently Employed Staff	Others	Total 2021-22	Total 2020-21
Directly Employed	402	13	415	384
Other	-	21	21	38
Staff engaged on Capital Projects				-
Totals	402	34	436	422

Employees (AUDITED INFORMATION)

The breakdown of Full Time Equivalent (FTE) employee group by gender at 31 March 2022 is as follows:

Employee Group	Number of FTE employees at 31 March 2022		
	Female	Male	Total
Chief Executive/Directors	3.00	-	3.00
Senior Managers (other than Directors)	5.00	3.00	8.00
Permanent employees	289.60	78.66	368.26
Temporary employees (Agency & Fixed Term)	15.01	15.60	30.61
Totals	312.61	97.26	409.87

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 2021-22:

	Number of Staff at beginning of period	Leavers	Staff turnover (%)
Senior Management	12	4	33.3
Probation Grade	303	34	11.2
Corporate Admin	44	7	15.9
Operational Support	45	2	4.4
Total	404	47	11.6

Sickness Absence Data

The average number of sick absence days per employee for 2021-22 was 11.5 days, whereas the average sick absence days per employee for 2020-2021 was 10.3 days. The reduction of sickness absence levels remains a business objective for the Probation Board in 2022-23. Sick absence has been affected by the COVID-19 pandemic which has seen a significant reduction in short-term absence. However, it has increased during 2021-22.

PBNI had a Frequency Rate of 15.8% (13.5% in 2020-2021) and an average duration of 46.5 working days (59.6 working days in 2020-2021).

Business Area

Across the individual PBNI operational and corporate teams, the number of days lost per staff year varied from 0.0 to 35.7 days (0.0 to 24.9 days in 2020-21).

Gender

On average, females (13.1 days) had a higher level of absence than males with 6.1 days (10.1 days in 2020-2021). Due to there being a smaller proportion of males than females in PBNI, females accounted for 10.1 (7.7 in 2020-2021) days of the 11.5 days lost overall (10.3 in 2020-2021).

Grade Level

Highest Grade: Administration: 16.4 days lost per staff year (15.5 days lost in 2020-21). Lowest Grade: Other Grades: 0.5 days lost per staff year. In 2020-21, the highest number of working days lost was in Community Service (25.7 days lost) and Psychology (22.6 days lost).

Reason for Absence

The largest proportion of working days lost was due to Anxiety/Stress/Depression/Other Psychiatric Illnesses, which accounted for 36.7% of absence (45.2% in 2020-2021). The largest proportion of working days lost on a long-term basis was Anxiety/Stress/Depression/Other Psychiatric Illnesses which accounted for 42.4% of absence (47.4% in 2020-2021).

Staff Engagement

The Probation Board maintains arrangements for regularly consulting employees so that their views may be taken into account in decision making. Membership of two Trade Unions, the National Association of Probation Officers (NAPO) and the Northern Ireland Public Service Alliance (NIPSA), is available to all staff within the Probation Board. A Joint Negotiating and Consultative Committee, on which management and the two Unions are represented, provides the formal consultative mechanism for discussion of policy and other issues of concern to employees. In addition, employees at all levels are kept informed of decisions taken by the Board and Senior Management, as well as of matters bearing on the performance of the organisation and directly on their terms and conditions of employment. Information is provided through a staff newsletter, Probation News; regular updates and notices on PBNI's website. In 2021-22, PBNI introduced Virtual Town Hall Events, at which members of senior management provided updates on key topics. Staff attending the virtual events could ask questions directly to the speaker. These events had attendance levels of up to 90 staff.

The PBNI People Strategy 2020-23 states, "organisational culture is often described as 'the way we do things around here'. It is a wide ranging area that encompasses how staff interact with each other and how they feel about work, how empowered staff feel to take and own their decisions, and how open an organisation is to innovation and change."

As part of the People Strategy, internal and externally facilitated staff focus groups were held in January and February 2021 and a staff questionnaire issued in March 2021. A total of 75 members of staff attended one of the internal focus groups / individual conversations, 27 members of staff attended the external focus groups and 151 members of staff responded to the anonymous questionnaire.

A Culture Thematic Report was subsequently published encapsulating the feedback from staff and setting in place a number of recommendations to improve organisational culture. From July to September 2021, staff had the opportunity of attending workshops, titled PBNI – A Great Place to Work, at which they were invited to consider PBNI’s values and put forward suggestions for improving PBNI’s organisational culture. A team comprising Senior Leadership and Trade Union representatives considered the suggestions and created an action plan with five priority areas. These have been progressed since November 2021 and will continue to be actioned in 2022-23.

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. The 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 2021-22 financial year.

Consultancy

PBNI did not incur any expenditure on consultancy during the 2021-22 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 2021-22 (zero in 2020-21).

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 2021-22 (£1,134k in 2020-21).

Remote Contingent Liabilities

PBNI has no remote contingent liabilities to report at 31 March 2022 (zero in 2020-21).



Amanda Stewart

Chief Executive

4 July 2022

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 2022 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 2022 and of its net expenditure for the year then ended;
- 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 Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

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; 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.



KJ Donnelly

Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

04 July 2022



PBNI Probation Board
for Northern Ireland

FINANCIAL STATEMENTS 2021-22

FINANCIAL STATEMENTS 2021-22

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2022

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	2021-22 £'000	*restated 2020-21 £'000
Revenue from contracts with customers	4	(1,134)	(1,134)
Other Operating Income	4	(879)	(945)
Total Operating Income		(2,013)	(2,079)
Staff Costs	2	21,307	19,759
Purchases of goods and services	2	4,197	4,214
Depreciation and Amortisation charges	5&6	528	379
Other Operating Expenditure	3	2,028	2,378
Total Operating Expenditure		28,060	26,730
Net Operating Expenditure		26,047	24,651
Finance Income		(3)	(3)
Finance Expense		826	686
Net expenditure for the year before Taxation		26,870	25,334
Corporation Tax Payable		23	1
Net expenditure for the year after Taxation		26,893	25,335
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
Net gain on revaluation of Property, Plant and Equipment.	5	(28)	(2)
Net gain on revaluation of Intangible Assets AssAssets	6	-	-
Actuarial (gain)/loss on Pension Scheme Liabilities increase/(decrease)	11.7	(19,011)	6,828
Comprehensive net expenditure for the year		7,854	32,161

*Please refer to note 1.23 for further details

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

The notes on pages 84 to 120 form part of the accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

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 2022 £'000	*restated 31 March 2021 £'000
Non-current assets:			
Property, plant and equipment	5	2,204	2,282
Intangible assets	6	1,298	1,254
Financial assets	18	9	13
Total non-current assets		3,511	3,549
Current assets:			
Assets classified as held for sale	7	-	311
Trade and other receivables	9	216	314
Financial assets	18	11	16
Total current assets		227	641
Total assets		3,738	4,190
Current liabilities:			
Cash and cash equivalents	8	(487)	(631)
Trade and other payables	10	(2,610)	(2,947)
Total current liabilities		(3,097)	(3,578)
Total assets less current liabilities		641	612
Non-current liabilities			
Pension Liabilities	11.3	(26,325)	(40,543)
Total non-current liabilities		(26,325)	(40,543)
Total assets less liabilities		(25,684)	(39,931)
Taxpayers' equity and other reserves			
General Reserve		(26,149)	(40,581)
Revaluation reserve		465	650
Total Taxpayers' Deficit		(25,684)	(39,931)

*Please refer to note 1.23 for further details

The notes on pages 84 to 120 form part of the accounts. The financial statements on pages 80 to 83 were approved by the Board and were signed on its behalf by:



Amanda Stewart
Chief Executive

4 July 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

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.

		2021-22		*restated 2020-21	
	Note	£'000	£'000	£'000	£'000
Cash Flows from operating activities					
Net expenditure for the year			(26,893)		(25,335)
Adjustments for non-cash transactions	12	7,591		5,376	
Decrease in trade and other receivables	9	98		111	
(Decrease)/Increase in trade and other payables	10	(337)		527	
Movement on non-current asset payables not passing through the SoCNE		(13)		(68)	
Employers Pension Costs	11.6	(2,441)		(2,228)	
			4,898		3,718
Net cash outflow from operating activities			(21,995)		(21,617)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(266)		(96)	
Purchase of intangible assets	6	(200)		(847)	
Proceeds from Disposal of Assets Held for Sale	7	495		-	
Loans to employees for car loans	18	(11)		(6)	
Repayments of Loans	18	20		17	
Net cash outflow from investing activities			38		(932)
Cash flows from financing activities					
Grants from Sponsoring Department			22,101		22,646
Net increase in cash and cash equivalents in the period			144		97
Cash and cash equivalents at the beginning of the period			(631)		(728)
Cash and cash equivalents at the end of the period	8		(487)		(631)

*Please refer to note 1.23 for further details

The notes on pages 84 to 120 form part of the accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2022

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 £'000	Revaluation Reserve £'000	Taxpayers' Equity *restated
Balance at 31 March 2020	(31,120)	704	(30,416)
Net gain on revaluation of property, plant and equipment	-	2	2
Actuarial Loss	(6,828)	-	(6,828)
Release of reserves to the net expenditure account	56	(56)	-
Comprehensive net expenditure for the year	(25,335)	-	(25,335)
Grant from sponsoring department	22,646	-	22,646
Balance at 31 March 2021	(40,581)	650	(39,931)
Changes in taxpayers' equity for 2021-22			
Net gain on revaluation of property, plant and equipment	-	28	28
Actuarial Gain	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)

*Please refer to note 1.23 for further details

The notes on pages 84 to 120 form part of the accounts

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2021-22 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 a VAT liability of £16k with HMRC at 31 March 2022. 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 funding from 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 2018. The desk top valuation was completed this year by Mr Neil McCall MRCIS and Ms Lynsey Allem MRCIS of LPS.

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

All leases for land and buildings occupied by the Probation Board are considered to be operating leases.

Operating Leases

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

Finance leases

Leases of property, plant and equipment where the PBNI holds substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets are capitalised at the commencement of the lease term at the lower of the present value of the minimum lease payments or the fair value of the leased asset. The corresponding lease commitment is included in the Statement of Financial Position as a finance lease obligation. Depreciation on capitalised leased assets is charged in line with the depreciation policy for similar assets. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities.

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 2022.

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 in this category if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets held in this category are initially recognised and subsequently 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 invoiced cost which is considered to equate to fair value as the contractual obligations are short term in nature and based on standard invoiced prices. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

Cash and Cash Equivalents

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

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, as all such liabilities are short term in nature.

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

Depreciation and amortisation is provided in the Accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.6.

(ii) Impairment of property, plant and equipment

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

(iii) Pension and other post-retirement benefits

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.

(iv) 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 2022

PBNI has considered the accounting standards, interpretations and updates identified by HM Treasury effective from 1 January 2022 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 (IFRS 16 disclosure to be updated)

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 2021 or later periods, but which PBNI has not adopted early. Other than as outlined below, PBNI considers that these standards are not relevant or material to its operations.

Standard	IFRS 16 Leases (replaces IAS 17 Leases and related interpretations)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2022-23
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 Financial Instruments, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Comments	<p>IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.</p> <p>The main impact of the introduction of IFRS 16 will be that PBNI will need to disclose operating leases in the Statement of Financial Position. Leases will be disclosed as liabilities and the subject of the leases (e.g, property) will be disclosed as assets. PBNI has assessed the impact that the application of IFRS 16 will have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the statement of financial position at that date, and have judged that it is immaterial.</p>

1.22 Financial Reporting - Future Developments

Standard	IAS 1 – Presentation of financial statements: Classification of liabilities as current or non-current (Amendments)
Effective date	1 January 2023
FReM application	To be advised
Description of revision	<p>The amendment makes no fundamental changes but clarifies some aspects of the standard. The amendment affects the presentation of liabilities in the statement of financial position only and not the timing of recognition or the disclosure requirements. It clarifies:</p> <ul style="list-style-type: none"> • that the classification of a liability as current or non-current is based on the rights that are in existence at the end of the reporting period and the “right” to defer settlement by at least 12 months must be in place at the end of the reporting period if it is to affect the liability classification; • the classification is unaffected by the expectation of the entity exercising this right; and • the settlement refers to the transfer to the counterparty of cash, equity instrument, and other assets or services. <p>The amendment was agreed in January 2020 with an effective date of 1 January 2022. However, due to Covid-19, the IASB has delayed the effective date to 1 January 2023.</p>
Standard	IAS 1 and IFRS Practice Statement 2 – Disclosure initiative: Definition of material (Narrow scope amendments)
Effective date	1 January 2023
FReM application	To be advised
Description of revision	<p>Amendments to paragraphs 117-122 of IAS 1 and a new guidance for application in IFRS practice statement 2 are intended to help entities provide more useful accounting policy disclosure to the primary users of financial statements. The proposals include changing the request for “significant” disclosures to “material” disclosures and providing information aimed to assist entities apply the concept of materiality. These proposed amendments build on the amendments brought in due to the definition of materiality project and aim to help entities:</p> <ul style="list-style-type: none"> • identify and disclose all accounting policies that provide material information to primary users of financial statements; and • identify immaterial accounting policies and eliminate them from their financial statements. <p>IASB issued the revised standard on 12 February 2021, to take effect from 1 January 2023.</p>

Standard	IAS 8 – Accounting policies and Accounting Estimates
Effective date	1 January 2023
FReM application	To be advised
Description of revision	<p>Amendment of the definitions of accounting policies and changes in accounting estimates to:</p> <ul style="list-style-type: none"> • clarify the definitions of accounting policies and of changes in accounting estimates with the objective of making them more concise and distinctive; • clarify how accounting policies and estimates relate to each other; • add guidance about whether changes in valuation techniques and in estimation techniques are changes in accounting estimates; and • update examples of estimates provided in IAS 8. <p>IASB issued the revised standard on 12 February 2021, to take effect from 1 January 2023.</p>
Standard	IFRS 17 – Insurance Contracts
Effective date	1 January 2023
FReM application	To be advised
Description of revision	<p>On 25 June 2020, the IASB issued ‘Amendments to IFRS 17’ to address concerns and implementation challenges that were identified after IFRS 17 ‘Insurance Contracts’ was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023.</p> <p>PBNI will assess the impact of the introduction of IFRS 17 on receipt of FreM guidance.</p>

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.

1.23 Prior Year Restatements

Some 2020-21 figures have been restated to reflect changes made to account code mapping by the Department of Justice as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used. These restatements have had no impact on the reported net expenditure for the prior period.

2. PROGRAMME EXPENDITURE

	Note	2021-22 £'000	*restated 2020-21 £'000
Staff Costs**			
Wages and salaries		13,536	14,269
Social security costs		1,425	1,236
Pension provision		6,346	4,254
		21,307	19,759
Purchase of goods and services			
Cash items:			
Accommodation costs, maintenance and utilities		797	957
IT, communications and office services		243	214
Consumables, equipment and transport costs		267	296
Contracted out and managed services		1,375	1,224
Professional and consultancy services		262	224
Client and programme operating costs		105	78
Rentals under operating leases		730	740
Staff related costs		428	341
Other costs		21	16
Auditor's remuneration		31	30
Commissions, Panels and Tribunals costs		47	37
		4,306	4,157
Non-cash items:			
(Profit)/loss on disposal of non-current assets		(171)	-
Other non-cash items		62	57
		(109)	57
Total purchase of goods and services		4,197	4,214
Depreciation and impairment charges			
Depreciation	5	299	374
Amortisation	6	229	5
		528	379
Other - Resource:			
Other non EU Grants	3	2,028	2,378
Total grants		2,028	2,378
Total Programme costs excluding finance expense		28,060	26,730
Finance expense:			
Pension liability interest charges (Non-cash)		826	686
Total finance expense		826	686
Total Programme costs including finance expense		28,886	27,416

*Please refer to note 1.24 for further details

**Further Analysis of staff costs is located in the Staff Report on page 65.

3. OTHER OPERATING EXPENDITURE

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

	2021-22 £'000	2020-21 £'000
Grants over £100,000		
Northern Ireland Association for Care and Resettlement of Offenders (NIACRO) ¹	1,027	998
Ascertain ²	374	380
Inspire ³	145	166
Barnardo's ⁴	100	149
Start 360 ⁵	142	157
Extern	-	105
Grants £50,001- £100,000		
Women's Aid Federation ⁶	60	80
Grants £25,001- £50,000		
NI Alternatives ⁷	40	40
Community Restorative Justice Ireland (CRJI) ⁸	40	40
The Turnaround Project	-	39
Vineyard Compassion	-	40
Grants up to £25,000⁹	<u>100</u>	<u>184</u>
Total	<u>2,028</u>	<u>2,378</u>

1 **NIACRO** - £887k 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** - £74k and £300k was awarded for the Addiction Services and Secondary Services projects respectively.

3 **Inspire** - was awarded £145k for the Substance Misuse Court.

4 **Barnardo's** - £100k was granted for the ECO-Parenting project.

5 **Start 360** - £92k was granted for the Engage project via the Aspire programme and £50k for the Protect Life 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: Change Makers Programme (£12k), Muse Counselling project (£11k), ACRC Fitness Programme (£5k), Link to Work project (£1k) and 30 Community Service Placement grants (£89k), offset by accrual reversals of £18k.

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

4. PROGRAMME INCOME

	2021-22	2020-21
	£'000	£'000
Income from Activities		
Revenue from contracts with customers		
NI Prison Service	1,134	1,134
Other Operating Income		
Secondment	156	104
Other Income	723	841
	2,013	2,079

NI Prison Service - £1,134k (2020-21 £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 - £156k (2020-21 £104k) represents salary and travel income for staff on secondment.

Other Income - £723k (2020-21 £841k) 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 for ARCS funding.

5. PROPERTY, PLANT AND EQUIPMENT

Land and Property Services carried out a valuation of land and buildings at 28 February 2022. There was no significant change in this valuation during March 2022. A full professional valuation was carried out at 28 February 2018 and the next one will be carried out 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 (2020-21: £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 (2020-21: £447k), which is non-depreciable.

5. PROPERTY, PLANT AND EQUIPMENT

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
Carrying amount at 31 March 2022	447	493	398	29	837	2,204

2020-21 restated	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Total
Cost or valuation						
At 1 April 2020	447	3,760	1,460	344	703	6,714
Additions	–	–	87	–	32	119
Disposals	–	–	(128)	–	–	(128)
Revaluation	–	–	4	–	–	4
At 31 March 2021	447	3,760	1,423	344	735	6,709
Depreciation						
At 1 April 2020	–	3,057	876	246	–	4,179
Charged in year	–	124	187	63	–	374
Disposals	–	–	(128)	–	–	(128)
Revaluation	–	–	2	–	–	2
At 31 March 2021	–	3,181	937	309	–	4,427
Carrying amount at 31 March 2021	447	579	486	35	735	2,282
Carrying amount at 31 March 2020	447	702	585	99	702	2,535
Asset Financing:						
Owned	447	579	486	35	735	2,282
Carrying amount at 31 March 2021	447	579	486	35	735	2,282

6. INTANGIBLE ASSETS

2021-22	Software and Licences	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

2020-21 restated	Software and Licences	Assets Under Construction	Total
Cost or valuation			
At 1 April 2020	20	361	381
Additions	–	892	892
At 31 March 2021	20	1,253	1,273
Amortisation			
At 1 April 2020	14	–	14
Charged in year	5	–	5
At 31 March 2021	19	–	19
Carrying amount at 31 March 2021	1	1,253	1,254
Carrying amount at 31 March 2020	6	361	367
Asset Financing:			
Owned	1	1,253	1,254
Carrying amount at 31 March 2021	1	1,253	1,254

7. ASSETS HELD FOR SALE

Properties at Crawford Square and Antrim Road were held for sale as deemed unfit for purpose. These properties were classified as held for sale as the carrying amount will be recovered through a sale transaction rather than through continuing use. Both these properties were sold during the 2021-22 financial year with net proceeds received of £495k.

	2021-22	2020-21
Cost/Valuation	£'000	£'000
At 1 April 2021	311	311
Reclassification	-	-
Disposal	(311)	-
At 31 March 2022	-	311

8. CASH AND CASH EQUIVALENTS

	2021-22	2020-21
	£'000	£'000
Balance at 1 April 2021	(631)	(728)
Net change in cash and cash equivalent balances	144	97
Balance at 31 March 2022	(487)	(631)
The following balances at 31 March 2022 were held at:		
Commercial banks and cash in hand	(487)	(631)
Balance at 31 March 2022	(487)	(631)

9. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2021-22 £'000	2020-21 £'000
Amounts falling due within one year:		
Trade receivables	56	48
Prepayments and accrued income	142	247
Other receivables	18	19
	216	314

10. TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2021-22 £'000	2020-21 £'000
Amounts falling due within one year:		
VAT	16	5
HM Revenue and Customs	618	281
Trade payables	58	2
Accruals	1,918	2,659
	2,610	2,947

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

	31/03/2022	31/03/2021	31/03/2020	31/03/2019	31/03/2018
Inflation Increase Rate (CPI)	3.00%	2.70%	2.00%	2.20%	2.10%
Salary Increase Rate	4.50%	4.20%	3.50%	3.70%	3.60%
Pension Increase Rate	3.00%	2.70%	2.00%	2.20%	2.10%
Discount rate	2.70%	2.10%	2.30%	2.40%	2.60%

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	21.8 years	25.0 years
Future Pensioners	23.2 years	26.4 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 2022 and the projected service costs for the year ending 31 March 2022 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)	156,488	162,384
% change in present value of total obligation	-1.80%	1.90%
Projected service cost (£'000s)	5,800	6,202
Approximate % change in projected service cost	-3.30%	3.40%
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)	159,993	158,719
% change in present value of total obligation	0.40%	-0.40%
Projected service cost (£'000s)	5,998	5,998
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)	161,746	157,125
% change in present value of total obligation	1.50%	-1.40%
Projected service cost (£'000s)	6,202	5,800
Approximate % change in projected service cost	3.40%	-3.30%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption*	-1 year	+1 year
Present value of total obligation (£'000s)	164,933	153,779
% change in present value of total obligation	3.50%	-3.50%
Projected service cost (£'000s)	6,238	5,764
Approximate % change in projected service cost	4.00%	-3.90%

*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 2022

11.2 Fair Value of Employer Assets

Year Ended:	31 March 2022	31 March 2021	31 March 2020	31 March 2019
	£'000	£'000	£'000	£'000
Equities	57,150	57,277	43,376	72,614
Government Bonds	32,904	29,195	26,576	20,137
Corporate Bonds	2,931	14,969	12,830	8,543
Multi Asset Credit	17,451			
Property	13,322	11,010	10,182	13,668
Cash	5,329	6,556	4,786	3,295
Other	4,130	4,701	4,073	3,783
Total	133,217	123,708	101,823	122,040

The above assets' values as at 31 March 2022 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

Year Ended:	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000
Fair Value of Employer Assets	133,217	123,708	101,823	122,040
Present Value of Funded Liabilities	(159,356)	(164,046)	(132,576)	(138,473)
Net (Underfunding) in Funded Plans	(26,139)	(40,338)	(30,753)	(16,433)
Present Value of Unfunded Liabilities	(186)	(205)	(193)	(204)
Net Liability	(26,325)	(40,543)	(30,946)	(16,637)
Amount in the Statement of Financial Position – Liabilities	26,325	40,543	30,946	16,637
Net Liability	(26,325)	(40,543)	(30,946)	(16,637)

Statement of Comprehensive Net Expenditure Costs at 31 March 2022

11.4 Recognition in the Statement of Comprehensive Net Expenditure

Year Ended:	31 March 2022 £'000	31 March 2021 £'000
Current Service Cost (excluding Administration expense)	6,344	4,250
Administration expense	62	57
Past Service Cost (including curtailments)	2	4
Interest on net defined benefit liability	826	686
Pension expense recognised in statement of comprehensive net expenditure	7,234	4,997
Actual Return on Plan Assets	9,662	22,292

11.5 Reconciliation of Defined Benefit Obligation during the Accounting Period

Year Ended:	31 March 2022 £'000	31 March 2021 £'000
Opening Defined Benefit Obligation	164,251	132,769
Current Service Cost	6,344	4,250
Administration Expense	62	57
Interest expense	3,423	3,024
Contributions by Members	809	745
Actuarial (Gains)/losses	(11,946)	26,782
Past Service Costs	2	4
Estimated Benefits Paid	(3,403)	(3,380)
Closing Defined Benefit Obligation	159,542	164,251

11.6 Reconciliation of Fair Value of Employer Assets

Year Ended:	31 March 2022 £'000	31 March 2021 £'000
Opening Fair Value of Employer Assets	123,708	101,823
Interest income on assets	2,597	2,338
Contributions by Members	809	745
Contributions by Employer	2,441	2,228
Actuarial Gains	7,065	19,954
Benefits Paid	(3,403)	(3,380)
Closing Fair value of Employer Assets	133,217	123,708

11.7 Amounts for the Current and Previous Accounting Periods

Year Ended:	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000
Fair Value of Employer Assets	133,217	123,708	101,823	122,040
Present Value of Defined Benefit Obligation	(159,542)	(164,251)	(132,769)	(138,677)
Deficit	(26,325)	(40,543)	(30,946)	(16,637)
Actuarial Gains/ (Losses) on Employer Assets	7,065	19,954	(22,789)	5,151
Actuarial Gains/ (Losses) on Obligation	11,946	(26,782)	10,867	(2,202)
Actuarial Gains/ (Losses) recognised in SOCTE	19,011	(6,828)	(11,922)	2,949

11.8 Estimate of employer's contributions for financial year 2021-22 – 19.5%

11.9 McCloud Judgement

In 2021-22, 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 2021-22 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. CASH FLOW ADJUSTMENTS FOR NON - CASH TRANSACTIONS

	2021-22 £'000	2020-21 £'000
Depreciation and amortisation charge	528	378
Non-cash Pension Costs	6,408	4,311
Pension provision borrowing cost	826	686
Profit on Disposal of Non- current Assets	(171)	-
	7,591	5,375

13. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under operating leases are analysed for each of the following periods.

Operating Leases	Land and Buildings	Other	2021-22	2020-21
	£'000	£'000	Total £'000	Total £'000
Not later than one year	646	-	646	634
Later than one year and not later than five years	1,633	-	1,633	1621
Later than 5 years	296	-	296	381
Total	2,575	-	2,575	2,636

14. CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2022 not otherwise included in these financial statements

	2021-22	2020-21
	£'000	£'000
Electronic Case Management System	-	100
HR & Payroll System	20	-
Total	20	100

15. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

At year end, PBNI has contingent liabilities consisting of three 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.

16. RELATED PARTY TRANSACTIONS OUTSTANDING

The Probation Board is a Non-Departmental Public Body sponsored by the Department of Justice. The Department of Justice is regarded as a related party for the year 2021-22. 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

Ms M Brunt – Ms Brunt is an accredited local preacher with the Methodist Church in Ireland. Ballymena Methodist Church received payments totaling £787.50 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 £12,800.50 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 £45,000.00 in 2021-22 (including £5,000.00 accrued from 2020-21). Dr Byrne was not involved in any decision making capacity regarding the award of grant funding.

Mrs J Gillespie CBE – Mrs Gillespie is a Visiting Professor at the Ulster University. The Ulster University received payment of £12,800.50 for student placements across the financial year. Mrs Gillespie was not involved in the decision making process in relation to this income.

Mr D Wall OBE- Mr Wall is a member of the Northern Ireland Care and Resettlement of Offenders (NIACRO). During 2021-22, £804,307.65 in grant payments were paid to NIACRO for supply of services across a number of programmes all which were assessed and awarded via one application and adjudication processes under departmental guidelines. Mr Wall was not involved in any decision making capacity regarding the award of grant funding.

17. 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 secondee 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:

18. FINANCIAL ASSETS

	2021-22 £'000	2020-21 £'000
Balance brought forward	29	40
Additions	11	6
Repayments	(20)	(17)
	20	29
Current Assets	11	16
Non- current Assets	9	13
	20	29

19. 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 4 July 2022.

CONTACT DETAILS

Headquarters

80/90 North Street, Belfast, BT1 1LD

Telephone

028 9052 2522

PBNI Offices

Armagh	028 3752 9876
Ballymena	028 2566 2345
Belfast	
East - Newtownards Road	028 9052 6655
South - Ormeau Road	028 9054 1444
West - Andersonstown Road	028 9030 6630
North – Duncairn Gardens	028 9034 7474
Assessment Unit, HQ	028 9052 2522
Aspire	028 9031 6408
ISU, Alderwood	028 9025 7340
Public Protection Team	028 9025 9576
Coleraine	028 7034 6880
Dungannon	028 8775 4848
Enniskillen	028 6634 3345
Lisburn	028 9262 3456
Victim Information Scheme	0300 123 3269
Crawford Square, Londonderry	028 7131 9580
Shipquay Street, Londonderry	028 7131 9672
Magherafelt	028 7930 2115
Newry	028 3025 3030
Newtownards	028 9185 8282
Omagh	028 8225 4872
Portadown	028 3839 7575

Prison Teams

H M P Maghaberry	028 9261 6772
H M P Magilligan	028 7772 0583
H M YOC & P Hydebank	028 9049 4100

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Equality Manager
Probation Board for Northern Ireland
80-90 North Street
Belfast BT1 1LD

Telephone: 028 9052 2522

Web: www.pbni.org.uk



PBNI Probation Board
for Northern Ireland

© Probation Board for Northern Ireland
80-90 North Street
Belfast BT1 1LD

T 028 9052 2522

E info@probation-ni.gov.uk

W www.pbni.org.uk

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