
**Department of Justice
Annual Report and Accounts
For the year ended 31 March 2020**

*Laid before the Northern Ireland Assembly by the
Department of Finance
under section 10(4) of the Government Resources
and Accounts Act (Northern Ireland) 2001*

on

13 November 2020



Department of
Justice

An Roinn Dlí agus Cirt

Máinnystrie O tha Laa

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PERFORMANCE REPORT

OVERVIEW

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

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

FOREWORD BY PERMANENT SECRETARY

I am pleased to introduce the second Annual Report and Accounts in my time as Permanent Secretary for the Department of Justice (DoJ).

The Department of Justice, like other departments, operated without a Minister or a functioning Northern Ireland Assembly until January 2020. Prior to that, the *Northern Ireland (Executive Formation and Exercise of Functions) Act 2018*, however, provided a framework for progressing decisions in the absence of a Minister and enabled the work of the Department to continue.

The welcome return of the Northern Ireland Assembly and Executive, on 13 January 2020, the re-establishment of a Justice Committee and the appointment of Naomi Long MLA as Minister of Justice, has provided the opportunity to establish a full future work programme, including the means to address significant amounts of legislation which could not be advanced in the absence of the Assembly.

The combination of the return of our institutions, EU Exit and the Covid-19 pandemic have brought significant change to the work of all colleagues in the DoJ and I have been hugely impressed by the professional, committed and pacy response to these various requirements. The pandemic has had a major impact on all areas - requiring flexible and innovative responses to enable key services to continue to be delivered and to continue to advance the Justice Minister's agenda.

The people in any organisation are what defines its success and the Department's People Plan is a key element of how we are developing the organisation. The work on the People Plan has been progressed under eight key themes with a real focus on leadership, communications and induction. It was important that the Department secured Silver IIP (Investors in People) status this year and that a wide range of staff contributed to taking forward aspects of our people agenda. Leadership development is a key theme and a number of development events were organised for senior managers in the Department. This has helped shape future leadership development events for other management levels which are a priority for 2020-21.

The full impact of Covid-19 is not yet fully understood and will shape the focus of the work of the Department for some time.

Against this background of continual change, there has been a massive effort by many teams and people to continue to deliver public services in very difficult circumstances. We have also sought both to learn lessons where we could do things better and to look to take opportunities - such as innovations in the way we work which we would not want to lose. This ensures a strong platform for delivering services in the future.

STATEMENT OF PURPOSE AND ACTIVITIES

Statutory background

The Department of Justice (the 'Department' or 'DoJ') has a range of devolved policing and justice functions as set out in the *Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010*, including the functions transferred from the Northern Ireland Office and the former Northern Ireland Court Service.

In addition to its statutory functions, the Department provides resources and a legislative framework for its Agencies and Non-Departmental Public Bodies (NDPBs), which collectively constitute most of the justice system in Northern Ireland.

Mission and values

Our mission is working in partnership to create a fair, just and safe community where we respect the law and each other.

We recognise that we can only deliver effectively by working together with our delivery partners across the wider justice system, with other Government departments, and with the community and voluntary sector.

Together with delivery partners we committed in 2019-20 to work to:

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

In seeking to deliver these objectives, we sought to uphold the Northern Ireland Civil Service (NICS) values of:

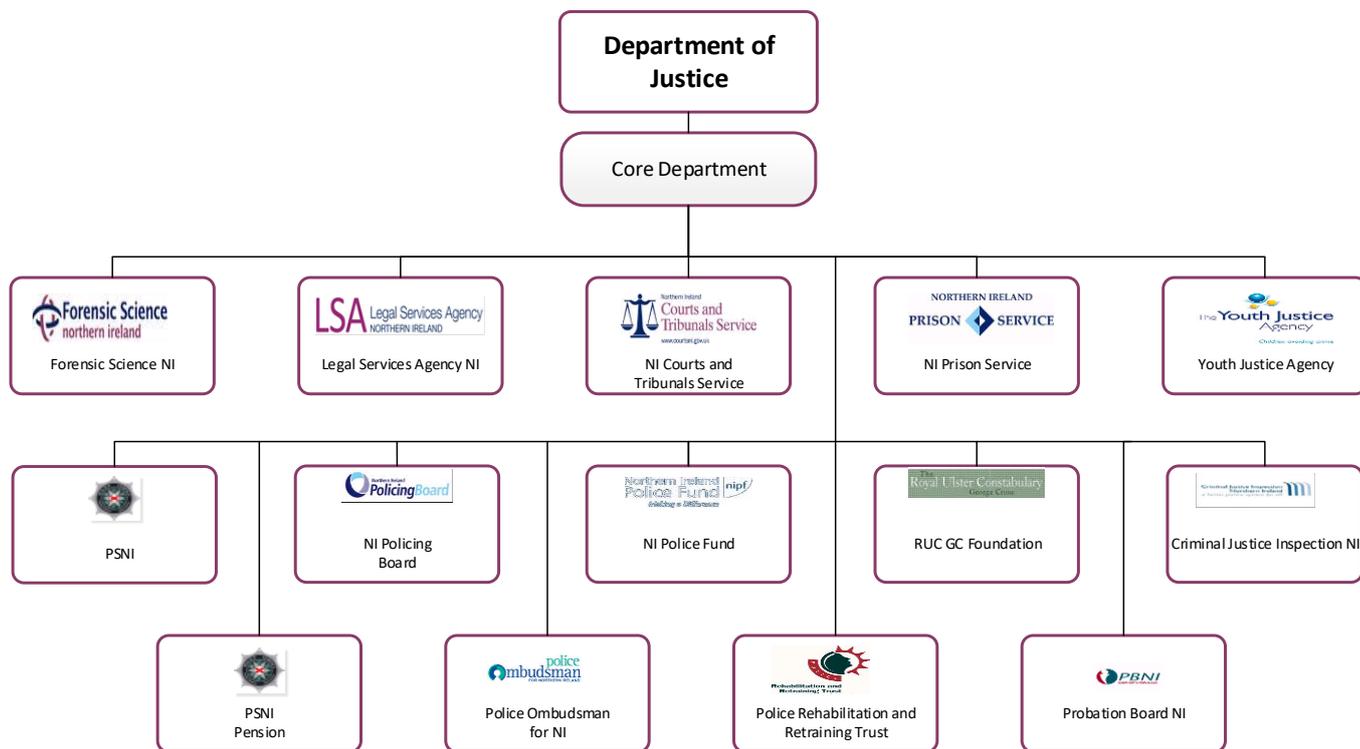
- Integrity;
- Honesty;
- Objectivity; and
- Impartiality.

In addition, we committed to the following Departmental values to:

- Make a difference;
- Empower and innovate; and
- Embrace diversity.

Departmental boundary

The overall structure of the Department is outlined below:



The Accounts of the Department comprise a consolidation of the income, expenditure, assets and liabilities of those entities within the Departmental resource accounting boundary as follows (see Note 23 to the Accounts for full details):

- Core Department - consisting of four Directorates: Access to Justice, Justice Delivery, Reducing Offending and Safer Communities;
- Forensic Science Northern Ireland;
- Legal Services Agency Northern Ireland;
- Northern Ireland Courts and Tribunals Service;
- Northern Ireland Prison Service; and
- Youth Justice Agency.

Bodies outside of the Departmental boundary

The Department has lead policy responsibility for the following bodies outside the Departmental boundary that are classified as, or analogous to, an executive NDPB:

- Criminal Justice Inspection Northern Ireland;
- Northern Ireland Police Fund;
- Northern Ireland Policing Board;
- Office of the Police Ombudsman for Northern Ireland;
- Police Rehabilitation and Retraining Trust;
- Police Service of Northern Ireland;
- Probation Board for Northern Ireland; and
- RUC George Cross Foundation.

These entities prepare separate annual reports and accounts that are audited by the Comptroller and Auditor General.

Key issues and risks

A Departmental Risk Register and Issues log is maintained within the Department and regularly considered by the Departmental Management Board.

The key risks identified in 2019-20 included:

- **Resources** - insufficient resources to effectively balance emerging pressures with operational delivery, Departmental commitments and business as usual needs;
- **Capability and capacity** - insufficient skills and agility to identify, secure and move appropriately skilled people to meet business need as it emerges or changes;
- **Collaboration** - inability to identify and gain commitment on shared priorities with other departments and key strategic partners, reduces opportunities to maximise the delivery of services to meet the needs of the community and deliver on Departmental priorities;
- **Community confidence** - lack of a shared strategic narrative on justice priorities and their administration, and engagement with the public on that narrative, fails to secure community buy-in to key policies and programmes, impacting on service delivery and confidence in the justice system; and
- **Information** - cyber-attack or other causes of operational failure impact on critical information systems or records resulting in breaches to the availability, accuracy or confidentiality of information, including personal information.

The key issues faced during 2019-20 included:

- Absence of a Minister and Assembly (prior to restoration of the Assembly);
- Implications of EU Exit;
- Legacy issues; and
- Responding to the Covid-19 pandemic.

EU Exit has been an ongoing issue for the Department throughout the year. The Department has continued to work with its counterparts in the UK Government, other devolved administrations and operational partners across the Criminal Justice System in Northern Ireland to ensure readiness for arrangements at the end of the Implementation Period.

The most significant issue that arose for the Department was the Covid-19 pandemic. In response to this the Department produced a Departmental Recovery Plan which has now been integrated with normal business planning processes. Although the Covid-19 pandemic has been a significant issue for the Department, key services have continued to be delivered through an innovative and flexible response across the Department. The issue of a potential second wave of the virus remains and the Department is updating its Business Continuity procedures in light of this.

Further details are provided in the Performance Analysis section in relation to the risks faced by the Department and how these are mitigated against. The Governance Statement also provides an overview of the Department's risk management and internal control system.

PERFORMANCE SUMMARY

Programme for Government

Since June 2018 and in the absence of an Executive and a finalised Programme for Government (PfG), the Northern Ireland Civil Service (NICS) Outcomes Delivery Plan (ODP) became a key strategic document, setting out the actions that departments had put in place to give effect to the objective of improving wellbeing for all by tackling disadvantage and driving economic growth. A revised ODP was published in December 2019 as a more responsive 'live' document that could be amended or added to as priorities and actions change. The refreshed ODP sets out the actions that departments intend to take to continue to give effect to the previous Executive's stated objective of "Improving wellbeing for all - by tackling disadvantage and driving economic growth".

The Plan's starting point was the framework of 12 outcomes developed by the previous Executive, consulted on and refined during 2016-17. Taken together, these outcomes provide a direction for the work of departments which fully reflects and respects the strategic direction set by the former Executive, has wide political support and is welcomed by people in every sector - public, private, community and voluntary. The outcomes are supported by 49 population and performance indicators which are clear statements for change.

The Department contributes to a number of outcomes and leads on Outcome 7 - 'We have a safe community where we respect the law and each other'. Five indicators are used to measure the effectiveness of the initiatives being taken forward to deliver Outcome 7. The Department developed a refreshed ODP for Outcome 7 setting out what work is already underway and plans for future actions in collaboration across government, the voluntary and community sector and other external stakeholders. The effectiveness of the actions will be assessed using the underpinning population and performance indicators. The Department also contributes directly to the successful delivery of Outcomes 9, 10 and 12 and, clearly, other Outcomes will impact on delivery of Outcome 7.

Department's Business Plan

From April 2019 to January 2020 the Department operated without a Minister. In the absence of a Minister, the Permanent Secretary, supported by the Departmental Board, agreed a Business Plan for the Department that was informed by the draft PfG and the Department's key priorities.

In January 2020, the Northern Ireland Assembly was re-established and Naomi Long MLA was appointed as Minister of Justice. The Minister has overall political responsibility and accountability for all the Department's activities. The Minister was content that for the last three months of the financial year, the targets set in the 2019-20 Business Plan would continue to be the priorities for the Department. The Minister, however, has played an important role in shaping the development of shared themes and priorities for the Department for 2020-21.

The 2019-20 Business Plan translated the Board's priorities into actions and assigned responsibility and timescales for delivery. The Department's priorities were to:

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

These six priorities were translated into 60 actions for delivery across the Department's organisational business areas.

Embed a culture of lawfulness

Activity to implement the Executive Action Plan Tackling Paramilitarism, Criminality and Organised Crime continued during 2019-20. New powers to tackle organised crime or measures to speed up the justice system were previously on hold because they required either legislative change or ministerial decisions but are now being progressed. Other commitments which progressed include working with Police and Community Safety Partnerships on embedding a culture of lawfulness and the delivery of public awareness campaigns.

Support safe and resilient communities

With an increased focus on the Department's priority of supporting safe and resilient communities, the Minister committed to introduce new legislation to outlaw psychological abuse in a domestic setting following a previous public consultation. On 31 March 2020, the *Domestic Abuse and Family Proceedings Bill* was introduced in the Assembly and will close a gap in the current law, and provide greater protections to victims and family members living with domestic abuse. The Bill essentially creates a new domestic abuse offence of abusive behaviour and includes child and general aggravators which may result in enhanced sentencing. This is a significant piece of legislation which will help many people across Northern Ireland who are experiencing domestic abuse, in any of its forms.

Collaboration also continued with a wide range of organisations during 2019-20 to enhance understanding of trafficking and modern slavery issues. Training and awareness resources were developed and disseminated to frontline professionals to improve their knowledge of the referral process for potential victims of trafficking. Working with local stakeholders and UK partners, a range of reforms were implemented to improve reporting quality and subsequently to better inform decisions on whether someone is potentially a victim of modern slavery.

With 2019 marking the 50th anniversary of the erection of the first 'peace wall' interface structure in Northern Ireland, one of Belfast's oldest interface structures was taken down on Duncairn Gardens in the north of the city, making a very positive difference to those families living in its shadow for over 40 years. Another structure in North Belfast was also dismantled to make way for a multi-use games area, children's playpark and access to shared community facilities as the Department continued to lead work to reduce or remove all interfaces as part of the Executive's 'Together: building a united community' Strategy.

Addressing harm and vulnerability

While the Covid-19 pandemic presented considerable operational challenges towards the end of 2019-20, maintaining the safety and wellbeing of people in our care remained an important priority. During 2019-20, good progress was made by the Prison Service in delivering actions in the Improving Health within Criminal Justice Joint Strategy Action Plan. The delivery of Prisons 2020 also remained an important focus and of the 112 delivery targets in Year 2 only 7% were not achieved. This year saw an unannounced inspection of Hydebank Wood College and the Women's Prison by Criminal Justice Inspection Northern Ireland (CJINI) and HM Inspectorate of Prisons (HMIP). The Reports were published in June 2020, with both the College and the Women's Prison receiving a total of 15 out of a possible 16 marks. This positive achievement reflects the work of the leadership team, staff and partner organisations at Hydebank.

Davis House - a state of the art 360 bed rehabilitative residential unit at Maghaberry - was officially opened in October 2019. The building, which was delivered on time and on budget, represents a £54m investment in NIPS and has transformed how we challenge and support those placed in our care.

By working with delivery partners, evidence-based early intervention initiatives were rolled out to help children exit from the youth justice system at the earliest point, with appropriate support. The Youth Justice Agency (YJA) continued to deliver high quality services to children, parents and victims throughout the year as borne out by positive survey feedback for 2019-20 which demonstrated that

99.4% (170) of young people and 99.6% (239) of parents/carers surveyed reported that they were satisfied with the services they received from the YJA. Furthermore, 96.4% of victims surveyed, and who participated in the youth conference process, were satisfied with the restorative process.

Challenge reoffending and support rehabilitation

During 2019-20 the Youth Justice Agency's Regional Facilities Programme Team held a series of regional workshops engaged with a wide range of stakeholders, including key partners, to develop design proposals for a regional Care and Justice Campus. In addition, the team met with Youth Justice staff at both Woodlands and Lakewood sites, parents and carers of children and young people who have experience of one or both facilities and, with the support of partners in the community and voluntary sector, has engaged with children and young people with lived experience of secure care and/or youth custody.

The Access to Justice Directorate continued to coordinate a number of Problem Solving Justice pilots, a key element of the Department's objective of creating a safe community where we respect the law and each other. Further details on Problem Solving Justice is available from: www.nidirect.gov.uk/campaigns/problem-solving-justice.

A five-year Strengthening Family Relations Strategy launched in November 2019 recognises the crucial role that positive relationships and contact with family and support networks can have on the rehabilitation and reintegration of those in our care. The aim is to ensure families are safe and well, and that they along with those in our care can create positive changes and better lives. The Strategy also focuses on children who are often significantly affected by parental imprisonment.

Deliver an effective justice system

The Department has continued to work closely with criminal justice partners, Northern Ireland departments and Whitehall to ensure that the specific Northern Ireland related impacts of EU Exit are identified and mitigated as much as possible. We will also ensure that the necessary legislation is in place to support EU Exit. This work will continue as the negotiations between the UK and the EU are accelerated to the end of the transition period on 31 December 2020. Civil contingency plans are also in place should we need to call upon them.

The Department provided input to Future Security Partnership negotiations to ensure effective access to criminal justice arrangements following Exit from the EU to address any impact of the loss of EU measures and input to negotiations to ensure effective access to civil justice arrangements.

An Implementation Plan for the Gillen Review into the law and procedures in response to serious sexual offences in Northern Ireland was developed with partner organisations and progress was made on a number of recommendations including the commencement of a voluntary protocol in Belfast in September 2019 to expedite sexual offences cases involving children under 13 and the launch of an advertising campaign in March 2020 in relation to consent.

The Directorate worked with the Department of Health (DoH) to develop and deliver a plan to partially commence the *Mental Capacity Act (NI) 2016* to establish a Review Tribunal to deal with appeals in Deprivation of Liberty cases. A range of initiatives to speed up the justice system were also delivered in conjunction with justice partners and a new Digital Justice Strategy 2020-25 was developed.

A Legacy Inquest Oversight Board was established and meets monthly to review the progress of legacy inquests. Work with justice agencies to develop a business case scoping the impact of legacy litigation on the justice system was also taken forward.

Work continued to set the strategic direction for legal aid and the legislative framework. This included six Statutory Rules on legal aid remuneration and a range of guidance and directions to support the implementation of the new Legal Aid Management System (LAMS) and the operation of pilots in the Courts. LAMS successfully went live in July 2019 and a new senior management structure in Legal Services Agency was put in place from November 2019.

Secure confidence in the justice system

A public consultation on the Review of Sentencing in Northern Ireland ended on 3 February 2020, with over 200 responses received. A summary of responses was published on 29 September. In light of the wide range of issues within the review, and some further issues emerging, a staged approach to recommendations is being adopted. Subject to Ministerial decisions, a Sentencing Bill is likely to progress in the next mandate. The recommendations of the Review will be designed to help increase public confidence in the sentencing process in Northern Ireland.

Work also continued on enhancing how Departmental priorities are communicated within the Department and to external stakeholders. An Internal Communications Forum has supported better communications across the Department and Agencies. Implementation of a DoJ-wide social media strategy has enhanced how the Department's priorities are communicated to external audiences.

Covid-19

It is important to record the impact of the Covid-19 pandemic on the Department's business. The first case of Covid-19 appeared in Northern Ireland on 27 February 2020 and a global pandemic was declared by the World Health Organisation on 11 March 2020. The Northern Ireland Executive passed *The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2020* that gave effect to lockdown measures from 11 pm on 28 March 2020. This placed significant restrictions on the movement of people and the operation of businesses as a means of reducing the community transmission of the virus.

The Department's Senior Management Team conducted a desktop exercise of our business continuity arrangements. That informed what emergency planning structures to put in place to respond to the pandemic. The need to resource those structures and focus on our immediate response, together with the need to implement social distancing measures, had an immediate impact across the Department, Agencies and NDPBs. A range of measures were put in place across the Department's services, including amended regimes in the NI Prison Service and Juvenile Justice Centre, and significant changes to the delivery of business in NI Courts and Tribunals Service (NICTS). Where possible, arrangements were put in place quickly to facilitate staff to work remotely, although in the early stages of the pandemic a small number of staff were unable to work at home or on site. It was necessary to re-prioritise some areas of work in the Department to focus on the Covid-response.

The Department's mobilisation in response to Covid-19 included the establishment of an Operations Centre which submitted daily situation reports to a NI Hub. The report covered critical service delivery issues (including those requiring escalation in order to address fully), systemic risks, media issues and assessments of delivery capability. An Emergency Response Team (ERT) was established to support the Department in maintaining business continuity. In addition, the Department also introduced:

- a regular Senior Management Team meeting focused on Covid-19 and extended to include Agency Chief Executives;
- a meeting of DoJ Agencies, larger NDPBs and the Public Prosecution Service; and
- a meeting of Business Continuity Managers from each Directorate and Agency.

Throughout the period of the pandemic regular communications were issued from the Permanent Secretary with messaging informed by views offered by the Department's Internal Communications Forum.

The Executive's Strategy for Covid-19 was formed at the end of March 2020 and the DoJ took the lead on two actions; to 'ensure the safe operation of custodial environments'; and, to develop 'respectful arrangements to respect the dignity of the deceased'. At that early stage, it was anticipated that the pandemic could overwhelm mortuary capacity and the main action for Project Dignity was to create a temporary resting place at Kinnegar. The steps taken by the Prison Service and Youth Justice Agency have successfully ensured that there were no outbreaks of Covid-19 in custody in the initial period and this continues to be a priority.

A key focus following the initial response to the outbreak has been recovery with the aim of ensuring that full service delivery can be resumed as well as resuming other policy development functions. A recovery plan was developed for the Department focused on services, people and learning from the innovations that had been implemented during the pandemic.

As part of this work, steps have been taken to prepare workplaces for the safe return of more staff when the time was right. In May, NI Courts and Tribunals Service issued guidance to its staff on working safely during Covid-19 followed by guidance issued by the Permanent Secretary to all staff on 'Working Safely during Covid-19'. This was supported by risk assessment templates and advice on optimum desk layouts to support Business Continuity Managers in early planning.

EU Exit

The Department has worked closely with criminal justice partners, Northern Ireland departments and Whitehall to ensure that the specific Northern Ireland related impacts of EU Exit are identified and mitigated as much as possible. We will also ensure that the necessary legislation is in place to support EU Exit. This work will continue as the negotiations between the UK and the EU are accelerated leading up to the end of the transition period on 31 December 2020. Civil contingency plans are also in place should we need to call upon them.

Forward look

The response to the recent Covid-19 pandemic remains the key priority for the Department. Alongside this sits the recovery of the justice system.

While all essential services continued to be delivered throughout the Covid-19 pandemic, the priority now is for the Department and Agencies to continue to assist in the recovery of the justice system and get business back to more normal levels.

A number of innovations were implemented during the pandemic that we will continue to use during this business year. Examples of this are the use of technology as evidenced by the introduction of virtual visits for those in custody, greater use of remote hearings in Courts and the ability for many staff to work effectively from home.

The re-establishment of the Northern Ireland Executive and a Justice Committee and the appointment of Naomi Long MLA as Justice Minister in January 2020, also brought the need for the Department to re-establish teams and processes to support this structure. There is also a very ambitious legislation programme in place for delivery in 2020-21 in the areas of domestic abuse, stalking and committal reform.

The Department is also continuing to progress its transformation agendas through programmes which include:

- Prisons 2020;
- Courts 2020;
- Legal aid transformation; and
- Modernising and transforming the civil and criminal justice system.

PERFORMANCE ANALYSIS

Performance against Business Plan for 2019-20

Key Priority Area 1: Embed a culture of lawfulness			
Ref	Objective	Action	Position at 31 March 2020
1.1	Tackling paramilitarism, criminality and organised crime	Delivery of the Department of Justice commitments within the Executive action plan on Tackling Paramilitarism, Criminality and Organised Crime, including management of the associated funding.	<p>Partially achieved</p> <p>Activity to implement the Executive Action Plan ongoing. The Action Plan is a co-ordinated set of 38 commitments made by Departments across the Executive. The DoJ has responsibility for 19 commitments. The Programme management of the Action Plan is on track to be achieved. Many of the DoJ actions which were on hold because they required legislative change or ministerial decisions, such as new powers to tackle organised crime or measures to speed up the justice system, are now currently being progressed.</p> <p>Other commitments which are on track include working with Policing and Community Safety Partnerships on embedding a culture of lawfulness and the delivery of public awareness campaigns.</p>

Key Priority Area 2: Support safe and resilient communities			
Ref	Objective	Action	Position at 31 March 2020
2.1	Protecting communities, businesses and individuals from the harm caused by crime, organised crime and Domestic Violence and Abuse	Develop a refreshed organised crime strategy to include any new legislation that is required.	<p>Partially achieved</p> <p>The draft strategy has been approved by the Minister and submitted to the Justice Committee for consideration. Consultation on the strategy launched on 10 July 2020.</p> <p>Separate (but related) workstreams are underway under the strategy to ensure that law enforcement has appropriate legislative tools to tackle organised crime. This includes work to secure full implementation of the <i>Criminal Finances Act 2017</i> in Northern Ireland; and public consultation on proposed new organised crime offences also launched on 10 July 2020.</p>
		Work in partnership with communities and other sectors to protect against harm from crime, through education, awareness, information and targeted interventions such as those set out in PCSP action plans, and those to deal with fraud, cybercrime, modern slavery and drugs.	Achieved
		Assess the pilot 'Support Responder' service aimed at providing immediate practical and emotional support to older victims of crime.	Achieved
		Fund and monitor support services provided by Victim Support NI and NSPCC Young Witness Service; Human trafficking support services; and Registered intermediaries service provision.	Achieved
		Progress a new domestic abuse offence.	Achieved
		Introduce a Domestic Homicide Review Model for NI.	<p>Partially achieved</p> <p>All independent chairs for the Domestic Homicide Reviews have been recruited and trained. Final preparations are being in place to test the system before launching the service.</p>

Key Priority Area 2: Support safe and resilient communities			
Ref	Objective	Action	Position at 31 March 2020
		Establish a streamlined advocacy support service framework for victims of domestic and sexual violence.	Partially achieved There has been ongoing engagement on framework proposals with key statutory and voluntary sector partners. A procurement exercise will be needed to introduce the service. The future funding to support any proposed service model has still to be confirmed.
		Consult on preventing the cross examination of witnesses of domestic abuse by perpetrators in civil court proceedings.	Achieved
2.2	Improving community relations through removal of all interface structures by 2023	Implement an Aftercare policy to provide practical assurance measures to homeowners living in proximity to interface structures.	Achieved
		Continue to work to secure community consensus for the removal/alteration of further structures.	Partially achieved Work to remove an interface structure at Serpentine Road, North Belfast was completed in June 2019. The Parkside Gardens interface structure was also removed. Work had been paused due to Covid-19 restrictions in March 2020 but following the lifting of Covid restrictions in June 2020, one interface structure (Hazelbrook) was removed and one interface structure was reduced (Hillman) - both in North Belfast. In Derry/Londonderry one security structure was reconfigured permitting 24/7 pedestrian access along Bishop Street for the first time since the 1970s. The opening times of three interface gates have been extended representing a 13% increase in opening times of vehicular and pedestrian access gates between the Falls and Shankill (North Howard St and Northumberland St) and a 60% increase in the opening times of pedestrian gates in Derry/Londonderry. Further removal schemes are scheduled at North Queen St, North Belfast, Moyard Parade, West Belfast and Margretta Park, Lurgan. The impact of this action continues to increase community confidence in work to secure shared future outcomes.

Key Priority Area 2: Support safe and resilient communities			
Ref	Objective	Action	Position at 31 March 2020
2.3	Providing effective public protection arrangements to monitor all offenders while on licence	Secure smooth transition to a new Electronic Monitoring (EM) contract.	<p>Partially achieved</p> <p>Current service extended until October 2021. Market engagement to inform the statement of requirements for the new EM contract commenced 13 February 2020.</p>
		Work with partners to develop a new risk assessment tool for terrorist related offenders (TROs).	<p>Partially achieved</p> <p>Task and Finish Group to develop and agree interim arrangements to manage TROs commenced 6 March 2020. Interim arrangements to manage TROs commenced in September 2020.</p> <p>Prototype of risk assessment tool provided to DoJ in March 2020. Currently working with procured expert to test the prototype with sample cases.</p> <p>A formal project has commenced to develop a long term model, with expected date for the new model to commence in July 2021. In addition, the Minister has written to the Executive inviting agreement to commence legislative change to the Licencing Rules 2009 to statutory underpin the new delivery model.</p>

Key Priority Area 3: Address harm and vulnerability			
Ref	Objective	Action	Position at 31 March 2020
3.1	Improving support for individuals on the cusp of entering the justice system	Work with key delivery partners to support rollout of Support Hubs to the remaining six councils.	Achieved
3.2	Exiting children from the youth justice system at the earliest point, with appropriate support	Work with key delivery partners to develop and rollout effective and evidence based Early Intervention Initiatives for children on the cusp of the youth justice system.	Achieved
3.3	Compensating victims of criminal injuries and criminal damage in accordance with the statutory compensation schemes while seeking to improve service delivery	Assess claims for compensation in accordance with the Statutory Compensation Scheme criteria and internal KPIs.	Achieved
		Benchmark against performance standards set by the Criminal Injuries Compensation Authority GB (CICA).	Achieved
		Assess proposals to reform the Criminal Injuries Compensation Scheme, in light of best practice and the recent Court of Appeal Judgement on 'Same Household Sexual Abuse'.	<p>Partially achieved</p> <p>Reform of the NI Criminal Injuries Compensation Scheme is ongoing. Compensation Services officials are working with Ministry of Justice colleagues to develop proposals to reform the NI Scheme and bring it in line with the GB Scheme. Any changes to the Scheme will require Assembly approval.</p> <p>In relation to 'Same Household Sexual Abuse', the necessary amendments to the NI Criminal Injuries Compensation Scheme were approved by the Assembly in June 2020 in response to the Court of Appeal Judgement.</p>

Key Priority Area 3: Address harm and vulnerability			
Ref	Objective	Action	Position at 31 March 2020
3.4	Maintaining the safety and wellbeing of people in our care	Embed SPAR (Supporting Prisoners at Risk) Evolution, supporting vulnerable people in our care, across all Prison Service business areas.	Achieved
		Deliver a uniform approach to dealing with anti-social behaviour and violence reduction across all Prison Service sites by December 2019.	Partially achieved The revised approach has been included in Prisons 2020 Year 2 delivery plan. Workshops began in October 2019 and it was planned to have the new approach developed (with input from prisoners) by March 2020. This has not been delivered due to Covid-19 but work will recommence following the recovery period.
		Improve the engagement of people in our care with out-of-cell, purposeful activities including access to learning and skills, vocational training and offending reduction programmes during 2019-20.	Achieved
		Deliver relevant actions outlined in the Improving Health within Criminal Justice Joint Strategy Action Plan by March 2020.	Partially achieved Actions relevant to NIPS have been delivered or are on track for delivery. All instances of self-harm are recorded and data is being scrutinised to understand the categories, extent and seriousness of incidents. Repeat self-harmers are identified. The Causeway harm reduction landing has been established in the Magilligan prison. Delivery against the joint Suicide and Self-harm Risk Management Strategy has continued. A fully IT enabled solution for Supporting People At Risk (SPAR) Evolution began implementation in June 2019 and completed with rollout to Maghaberry Prison in December 2019. Residential accommodation is in place in all three establishments to support prisoners with specific health issues e.g. mobility, dementia and other age related conditions.

Key Priority Area 4: Challenge reoffending and support rehabilitation			
Ref	Objective	Action	Position at 31 March 2020
4.1	Caring for children in a safe, secure, therapeutic, child-centred environment	Work with key delivery partners on the joint Department of Justice and Health Programme Team to design the structure and operational requirements for a secure care and justice environment for children in Northern Ireland.	Achieved
4.2	Improving outcomes for individuals by helping them address the root cause of offending behaviour and reduce the rate of offending	Deliver a range of Problem Solving Justice initiatives.	Achieved
		Evaluate the effectiveness of pilot problem solving programmes.	Achieved
		Develop clear costed plans for those successful problem solving programmes which should be rolled out.	Achieved
4.3	Improving outcomes for people in our care through enhancing opportunities to address individual needs	Develop and deliver an Action Plan for the new Strengthening Family Relations Strategy including the introduction of a new delivery model on the 'Family Matters' landing at Maghaberry; and the delivery of a revised contract for prison visits.	Achieved
		Develop and consult upon new strategic approaches to: <ul style="list-style-type: none"> • education, skills and employability; • physical activity and wellbeing; • addressing the needs of women who offend; and • resettlement, including accommodation needs. 	Achieved
		Develop and commence delivery of an implementation plan in response to the report on education and training opportunities for prisoners in the separated regime.	Achieved

Key Priority Area 5: Deliver an effective justice system			
Ref	Objective	Action	Position at 31 March 2020
5.1	Ensuring effective models of partnership with the Department's Arm's Length Bodies	Develop new partnership agreements in line with the NI Code of Good Practice.	Achieved
5.2	Ensuring effective future relations with the EU	Input to negotiations to ensure effective access to civil and criminal justice arrangements post EU Exit.	Achieved
		Ensure Westminster legislation to enable civil justice cooperation covers NI.	Achieved
		Input to Future Security Partnership (FSP) negotiations to ensure effective access to Criminal Justice arrangements post EU Exit to address any impact of the loss of EU measures.	Achieved
		Maintain readiness for any adverse consequences of EU Exit.	Achieved
5.3	Transforming delivery of the NI Courts and Tribunals Service	By March 2020, working through the Courts 2020 Transformation Portfolio Board: <ul style="list-style-type: none"> • prepare an outline business case for estate in the North West; • develop an Estates Strategy; and Commence digital delivery pilots in three business areas to test viability to transform service delivery.	Achieved
5.4	Ensuring Forensic Service provision for Northern Ireland remains efficient to meet current and future needs of the justice system from crime scene (and before) to court (and after)	Maintain and further develop the quality, objectivity, capacity, scope, capability, timeliness and efficiency of the Agency's forensic scientific services to meet the needs of all customers and stakeholders.	Achieved
		Support the delivery of the NI Forensic Services Strategy.	Achieved
		Prepare for migration to new ISO 17025:2017 accreditation standard.	Achieved

Key Priority Area 5: Deliver an effective justice system			
Ref	Objective	Action	Position at 31 March 2020
5.5	Modernising and Transforming the Civil and Criminal Justice System	Develop a work programme, and oversight arrangements, to deliver Civil and Family Justice modernisation.	Achieved
		Improve handling of sexual offences cases through development and delivery of a multi-agency Action Plan to give effect to the Gillen Report recommendations.	Partially achieved The Criminal Justice Board (CJB) at their meeting in January 2020 agreed that recommendations which will have the greatest impact on complainants going through the system should be prioritised and agreed a set of strategic priority areas for implementation. The Gillen Review Implementation Team has worked with partners to finalise a detailed Implementation Plan for the current mandate and beyond. Work is ongoing with partners to understand the impact of Covid-19 on their ability to deliver.
		Develop and deliver, in partnership with Health, a costed plan to partially commence the Mental Capacity Act (NI) 2016 to establish a Review Tribunal to deal with appeal in Deprivation of Liberty cases.	Achieved
		Refresh Legal Aid Remuneration Structures and Rates.	Achieved
		Deliver the Legal Services Agency Transformation Programme.	Achieved
		Working in partnership with justice organisations to deliver a range of initiatives to speed up the justice system.	Achieved
		Prepare a new Criminal Justice Digital Strategy.	Achieved
		Research and develop a Justice Data Strategy.	Partially achieved A DoJ Data Analytics Strategy Group was established but was unable to meet in March 2020 due to the impact of Covid-19. A draft Terms of Reference was also agreed with the Strategic Investment Board to deliver two priority data analytics projects. These will be taken forward in 2020-21.

Key Priority Area 5: Deliver an effective justice system			
Ref	Objective	Action	Position at 31 March 2020
5.6	Dealing with the Past	Oversee implementation of Legacy Inquest Business Case and establishment of a fully resourced Legacy Inquest Unit to complete outstanding legacy inquests within a six year period.	Achieved
		Work with justice agencies to develop a business case scoping the impact of legacy litigation on the justice system and making proposals for addressing the identified funding deficit.	Achieved
5.7	Enabling employers and voluntary organisations to make safer recruitment decisions, especially where roles involve looking after children and vulnerable adults	Process applications for criminal record checks in line with the Service Level Agreement targets.	<p>Partially achieved</p> <p>AccessNI processed 150,794 applications for criminal record checks meeting four of its six Ministerial targets for the issue of certificates.</p> <p>8,750 certificates were issued with information disclosed and three persons barred from working with vulnerable groups were detected making applications to work with such groups.</p>
5.8	Modernising the NI Prison to transform the delivery of services to people in our care	Deliver Year 2 of the NIPS 2020 Continuous Improvement programme.	Achieved
		Implement NIPS Estate Strategy including: <ul style="list-style-type: none"> • delivery of Davis House; and • completion of business cases for the Female Facility at Hydebank; the redevelopment of Magilligan; and a new Visitors Centre at Maghaberry. 	<p>Partially achieved</p> <p>Davis House has been handed over to NIPS and became operational in early 2020.</p> <p>The business cases are being progressed and it is expected that these will be completed by the end of 2020.</p>
		Rollout of a refreshed transport for Prisoner Escorting and Court Custody Service (PECCS) by July 2019.	Achieved

Key Priority Area 5: Deliver an effective justice system			
Ref	Objective	Action	Position at 31 March 2020
5.9	Supporting the Effective Delivery of Front-line Operational Services	Manage effectively the Department’s budget to maximise efficiency, and utilise resources for maximum effectiveness, ensuring underspend of less than 2%, and that funding is prioritised for PfG/NICS Outcomes Delivery Plan initiatives.	Achieved
		Effective maintenance and management of: <ul style="list-style-type: none"> • records and information management systems; • information assurance mechanisms; • appropriate ICT resources; and • the DoJ Estate. 	Achieved
		Implementation of the actions in DoJ People Plan including to address issues raised in the people survey.	Achieved

Key Priority Area 6: Secure confidence in the justice system			
Ref	Objective	Action	Position at 31 March 2020
6.1	Increasing public confidence in sentencing process	Complete a major review of sentencing policy in Northern Ireland.	<p>Partially achieved</p> <p>A public consultation on the Review of Sentencing in Northern Ireland ran from 28 October 2019 to 3 February 2020. Over 200 responses were received. Analysis of the responses has taken place. Findings of the public consultation were published and an Action Plan is under development.</p>
		Commence implementation of the agreed recommendations, subject to the Departmental powers/return of Ministers.	
6.2	Explaining departmental priorities to internal and external stakeholders	Develop and implement communication strategies to change the narrative around the role and purpose of the justice system, including raising awareness of the rehabilitative and innovative work across the Department.	Achieved
		Develop and implement a DoJ wide Social Media Strategy.	Achieved
		Develop and implement an enhanced Internal Communication Strategy.	<p>Partially achieved</p> <p>The Internal Communications Forum continues to make improvements to enable better communications across the Department and Agencies, including but not exclusively on our valuing our people agenda. This group has progressed a new team time brief, revised board brief, a staff E-zine and a new people zone on the intranet. Full implementation of this action will however require further dedicated resources, as have been proposed in the review of corporate services.</p>

Risk Management

The Department's Management Board considers the Departmental Risk Register on a quarterly basis and risk management continued to focus on:

- active management of risk within the Department, including taking into account findings from recent audits of existing procedures and to ensure that risk management procedures reflect best practice guidelines;
- ensuring that risk management is understood and embedded as a management tool across the Department; and
- ensuring that risk management processes are sufficiently joined-up, both internally and externally with partners, and are being appropriately applied in Agencies and Arm's Length Bodies.

A risk management workshop held in September 2019 considered and reviewed the risk appetite statement (previously approved by the Board in May 2019), reviewed the Department's approach to Risk Management, and populated a new risk register focussing on the strategic risks linked to delivery of Business Plan. The Department operates an 'open' attitude to risk and has controls in place to mitigate the potential impacts of risks identified. The key risks identified in 2019-20 included:

- **Resources** - insufficient resources to effectively balance emerging pressures with operational delivery, Departmental commitments and business as usual needs;
- **Capability and capacity** - insufficient skills and agility to identify, secure and move appropriately skilled people to meet business need as it emerges or changes;
- **Collaboration** - inability to identify and gain commitment on shared priorities with other departments and key strategic partners, reduces opportunities to maximise the delivery of services to meet the needs of the community and deliver on Departmental priorities;
- **Community confidence** - lack of a shared strategic narrative on justice priorities and their administration, and engagement with the public on that narrative, fails to secure community buy-in to key policies and programmes, impacting on service delivery and confidence in the justice system; and
- **Information** - cyber-attack or other causes of operational failure impact on critical information systems or records resulting in breaches to the availability, accuracy or confidentiality of information, including personal information.

The risk management workshop also led to the creation of an issues log to capture the live risks being actively managed which are outside of the Department's control. These issues are not directly recorded on the Departmental Risk Register although they may impact on the Department's ability to deliver. The key issues that have been faced during 2019-20 included the absence of a Minister and Assembly (prior to restoration of the Assembly), implications of EU Exit, legacy issues and responding to the Covid-19 pandemic.

EU Exit has been an ongoing issue for the Department throughout the year. The Department has continued to work with its counterparts in the UK Government, other devolved administrations and operational partners across the Criminal Justice System in Northern Ireland to ensure readiness for arrangements at the end of the Implementation Period.

The most significant issue that arose for the Department was the Covid-19 pandemic. In response to this the Department produced a Departmental Recovery Plan which has now been integrated with normal business planning processes. The issue of a potential second wave of the virus remains and the Department is updating its Business Continuity procedures in light of this.

Financial review

The Estimates for the year to 31 March 2020 are contained in the *Northern Ireland Budget Act 2019* and the *Budget Act (Northern Ireland) 2020*. The related Acts, Bills and Department of Finance (DoF) publications containing detailed supporting information are available from The Stationery Office Limited - www.tso.co.uk. The Accounts for the year ending 31 March 2020 report against the Spring Supplementary Estimates and will be laid in the Assembly. The table below summarises the Outturn and Estimate position for 2019-20:

Category of expenditure	Outturn £000	Estimate £000	Outturn vs Estimate saving/ (excess) £000
Departmental Expenditure Limit (DEL)	220,805	238,843	18,038
Annually Managed Expenditure (AME)	119,300	178,930	59,630
Non-budget expenditure	990,800	1,016,304	25,504
	1,330,905	1,434,077	103,172
Headroom included in the Estimate in relation to:			
Annually Managed Expenditure (AME) - Victims' Pensions and Historical Institutional Abuse Redress Schemes	-	539,079	539,079
Net Resource Outturn	1,330,905	1,973,156	642,251

Detailed explanations for the variance between Estimate and Outturn are provided in SoAS 1 within the Accountability Report.

The total £598.7m saving on Annually Managed Expenditure (AME) can be analysed further as:

Annually Managed Expenditure (AME)	Outturn £000	Estimate £000	Outturn vs Estimate saving/ (excess) £000
Department of Justice	119,300	178,930	59,630
Headroom included in the Estimate in relation to:			
Victims' Payments	-	105,036	105,036
Historical Institutional Abuse Redress	-	434,043	434,043
	-	539,079	539,079
Annually Managed Expenditure (AME)	119,300	718,009	598,709

The 2019-20 Spring Supplementary Estimate Estimates (SSE) included headroom in the event the Department were to assume responsibility for the above Schemes. It is important to note that the Department was not assigned budget. This treatment was at the request of The Executive Office on the advice of the Department of Finance (DoF). DoF advice is that estimates should provide sufficient provision to cover activities that might occur, or liabilities or provisions that might be incurred. DoF indicated that affected Departments should include cover for these Schemes as part of the SSE process given the uncertainty at that time. The Department did not become accountable for the Schemes and no budget was assigned, therefore this is not an underspend against budget but the outworking of inclusion of headroom for which no budget was required. No AME expenditure was incurred on these Schemes during the 2019-20 financial year by the Department.

Financial review (continued)

The Department's Net Expenditure for the three most recent financial years is outlined below:

	2019-20 £000	2018-19 £000 *Restated	2017-18 £000 *Restated
Total operating income	(52,343)	(50,174)	(47,565)
Staff costs	145,138	131,106	125,374
Purchase of goods and services	109,735	109,525	103,888
Depreciation and impairment charges	24,619	23,584	22,201
Provision expense	117,683	99,974	79,810
Grants	992,048	962,776	917,710
Total operating expenditure	1,389,223	1,326,965	1,248,983
Net operating expenditure	1,336,880	1,276,791	1,201,418
Finance expense	2,563	2,001	1,863
Net expenditure	1,339,443	1,278,792	1,203,281

* 2018-19 and 2017-18 figures have been restated to reflect changes made to account categories 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 administration and 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.

Staff costs can be further analysed as follows:

	2019-20 £000	2018-19 £000 **Restated	2017-18 £000 **Restated
Wages and salaries	106,031	101,050	98,140
Social security costs	10,816	10,384	10,219
Other pension costs	28,291	20,680	19,983
Pension provision	-	(1,008)	(2,968)
Staff costs	145,138	131,106	125,374

** Figures for 2018-19 and 2017-18 have been restated to reclassify Apprenticeship levy expenditure of (£0.454m million and £0.434 million respectively) as Social security costs rather than Wages and salaries.

Financial review (continued)

Grants can be further analysed as follows:

	2019-20	2018-19	2017-18
	£000	£000	£000
Grant-in-aid:			
Police Service of Northern Ireland	794,674	750,794	724,404
Police Pensions	145,626	165,706	147,796
Office of the Police Ombudsman for Northern Ireland	10,357	8,989	8,859
Northern Ireland Policing Board	6,286	5,648	4,959
Probation Board for Northern Ireland	20,389	18,727	18,051
Criminal Justice Inspection Northern Ireland	1,124	1,024	1,021
RUC George Cross Foundation	97	131	125
Northern Ireland Police Fund	1,471	1,463	1,426
Police Rehabilitation and Retraining Trust	1,685	1,565	1,827
	<hr/>	<hr/>	<hr/>
	981,709	954,047	908,468
Other grants including voluntary and community sector	10,339	8,729	9,242
	<hr/>	<hr/>	<hr/>
	992,048	962,776	917,710

Long-term expenditure trends

The charts below show:

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

Chart 1: DoJ Non-Ringfenced Resource DEL opening baselines

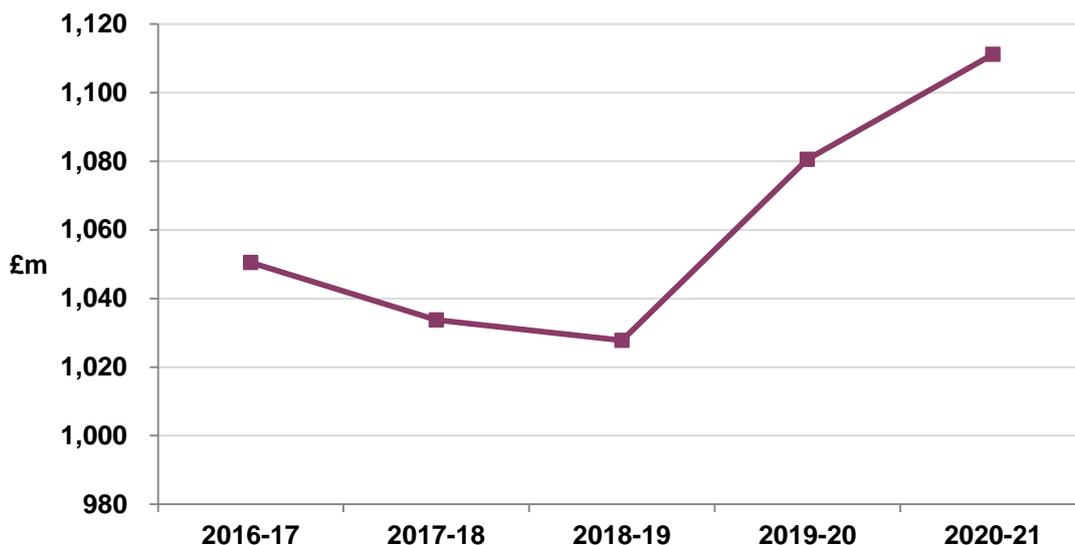
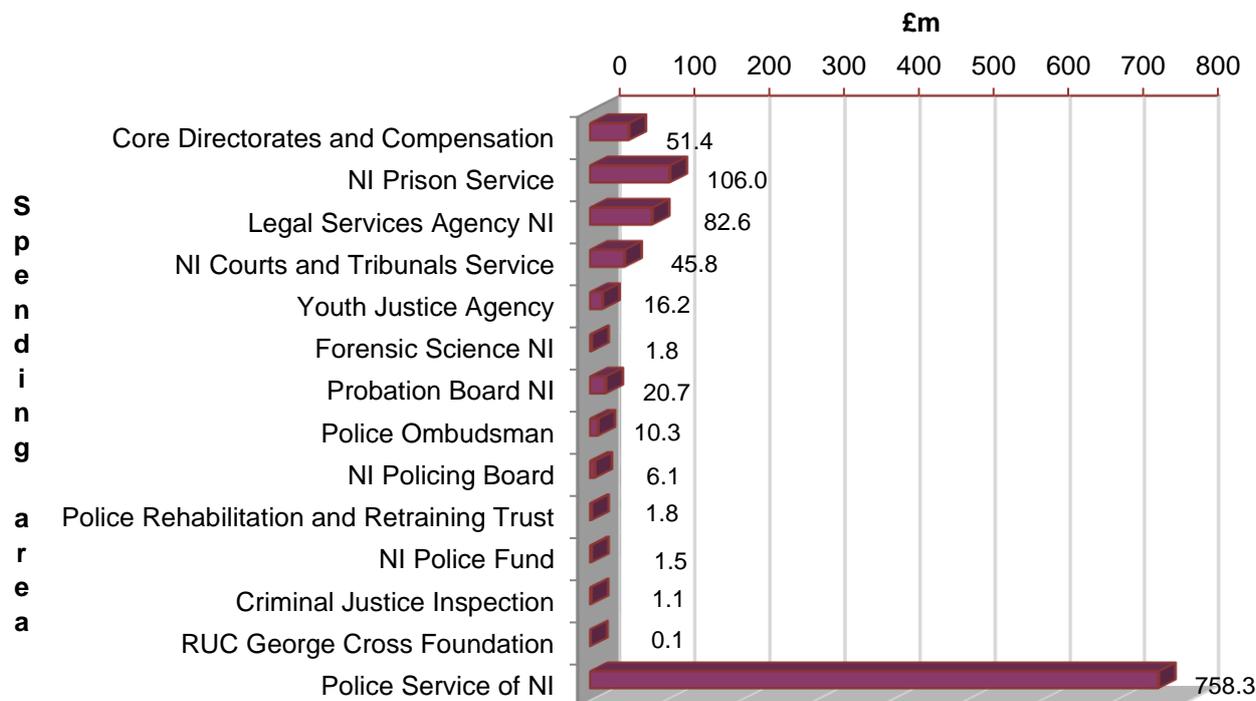


Chart 2: DoJ 2020-21 Non-Ringfenced Resource DEL Opening Budgets



Long-term expenditure trends (continued)

2019-20 financial year

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

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

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

2020-21 financial year

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

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

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

Capital investment priorities

The Department's 2020-21 capital DEL budget is £88.1m. This will allow a number of important projects continue to be taken forward including key capital projects in PSNI and NIPS, and NICTS digitisation and estates projects.

Looking ahead - budgets beyond 2020-21

Preparatory work for 2021-22 and beyond will be taken forward over the coming months and further strategic decisions will need to be made with the aim of having a budget in place as far in advance of the new financial year as possible.

Summary of expenditure 2015-16 to 2019-20

The table below provides details of outturn against Budget for resource and capital expenditure in each DoJ organisation during the five most recent financial years. The table also includes a reconciliation of total expenditure to Net Resource Outturn in each year.

	2015-16 Final Outturn £000	2016-17 Final Outturn £000	2017-18 Final Outturn £000	2018-19 Final Outturn £000	2019-20 Final Outturn £000
Unringfenced Resource DEL					
Core Department and Compensation Services	52,884	54,269	49,725	49,064	44,030
Forensic Science NI	1,769	884	1,163	1,679	1,879
NI Courts and Tribunals Service	44,565	43,561	41,231	41,270	45,557
Legal Services Agency NI	95,867	89,447	87,917	88,517	88,719
NI Prison Service	104,737	94,169	95,249	97,347	103,296
Youth Justice Agency	23,253	19,605	20,983	15,301	14,820
Agencies total	270,191	247,666	246,543	244,114	254,271
PSNI (Main and Pensions)	692,528	703,983	691,180	695,630	744,926
NI Policing Board	5,639	5,654	5,560	5,451	5,804
Police Ombudsman	8,443	8,510	8,825	9,061	9,775
NI Police Fund	1,448	1,487	1,447	1,457	1,414
RUC George Cross Foundation	134	126	116	91	(56)
Police Rehabilitation and Retraining Trust	1,691	1,805	1,626	1,619	1,709
Probation Board NI	17,211	17,287	17,695	18,722	20,196
Criminal Justice Inspection NI	1,054	1,067	1,027	1,049	1,081
Executive NDPBs total	728,148	739,919	727,476	733,080	784,849
Total Unringfenced Resource DEL	1,051,223	1,041,854	1,023,744	1,026,258	1,083,150
Total Ringfenced Resource DEL	65,146	61,145	59,320	62,759	66,304
Total Resource DEL	1,116,369	1,102,999	1,083,064	1,089,017	1,149,454
Capital DEL					
PSNI	25,422	32,385	28,726	43,954	49,150
NI Prison Service	9,884	16,423	23,239	35,910	18,499
Other	8,861	8,629	5,339	7,950	8,753
Total Capital DEL	44,167	57,437	57,304	87,814	76,402
Total Resource AME	310,780	290,857	264,625	590,867	351,862
Total Capital AME	32,532	(988)	-	-	-
Total Resource and Capital - DEL and AME	1,503,848	1,450,305	1,404,993	1,767,698	1,577,718
Reconciling items	(251,763)	(177,623)	(209,917)	(497,061)	(246,813)
Net Resource Outturn	1,252,085	1,272,682	1,195,076	1,270,637	1,330,905

Departmental auditor

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

The notional audit fee for the work performed by the staff of the C&AG during the reporting period was £360,700 (2018-19: £329,500) for the Core Department, its Agencies and the Northern Ireland Judicial Pension Scheme.

The C&AG may also undertake other statutory activities that are not related to the audit of the body's financial statements, such as Value for Money (VFM) reports. The C&AG issued the following reports relating to the Department:

- Injury on duty schemes covering the Police Service of Northern Ireland and the Northern Ireland Prison Service - March 2020; and
- Reducing costs in the Police Service of Northern Ireland - April 2020.

The Department has considered the recommendations contained in these reports and will take forward the necessary work to address the issues identified.

Payment of suppliers

The Department's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. During the financial year, the Department achieved an average of 94.1% (2018-19: 92.9%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. The Department achieved an average of 97.2% (2018-19: 97.2%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

PERFORMANCE REPORT



Peter May
Accounting Officer

10 November 2020

ACCOUNTABILITY REPORT

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

i Corporate Governance Report

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

As a minimum, the corporate governance report must include:

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

ii Remuneration and Staff Report

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

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

iii Assembly Accountability and Audit Report

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

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

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

The Minister

Naomi Long MLA, as the Minister of Justice, has overall political responsibility and accountability for all the Department's activities. However, the Northern Ireland Assembly was dissolved in January 2017 and re-established in January 2020. In the interim period, the Department operated without a Minister.

The Permanent Secretary

Peter May is the Permanent Secretary of the DoJ. He is the most senior civil servant in the Department and the Departmental Accounting Officer. The Permanent Secretary is also responsible for reviewing the performance of the Non-Executive Members of the Board.

Departmental Board

The Board is chaired by the Permanent Secretary and it is the senior tier for decision making within the Department. Its role is to provide corporate leadership within the policies determined by the Minister and for the establishment and scrutiny of the corporate governance arrangements. The Board operates as a collegiate forum; it takes ownership of the Department's performance and provides advice to the Minister. The Board meets monthly to consider progress on strategic and management issues, including finance and personnel. It also monitors performance against the draft Business Plan on a quarterly basis. It is supported by the Departmental Audit and Risk Committee and Strategic Resources Committee.

Membership of the Board at 31 March 2020 is shown below:

Position	Member
Permanent Secretary	Peter May - Chair
Director, Access to Justice	Anthony Harbinson
Director, Justice Delivery	Deborah Brown
Director, Reducing Offending	Ronnie Armour
Director, Safer Communities	Julie Harrison
Non-Executive Member	Clarke Black
Non-Executive Member	Heather Baily

In their role as Board Members, Directors are responsible for the development of strategy and for supporting the delivery of that strategy. They are also the lead Information Asset Owners (IAOs) for all business areas falling within their area of responsibility including effectively managing the relationship with sponsored bodies under their Directorate.

Register of interests

A register of interests is maintained by the Department and no significant interests are currently held by Board members which may conflict with their management responsibilities.

Records Management

The Department's Chief Information Officer chaired the NICS Information Management Council and reported to the NICS Information Governance Board. This role aims to standardise information management activities across the civil service and benefits the Department in aligning practices with colleagues in other departments.

The records management team delivered a series of presentations and issued guidance about improving record-keeping and implementing retention and disposal scheduling. During 2019, the Department obtained 95% compliance rate for FOI requests and 94% for DPA Subject Access requests within statutory time limits.

The Department's Senior Records Manager has been actively involved in providing advice and configuring records systems for a number of high-profile business areas including the Gillen Review and Implementation Team, Forensic Science Leadership Board, Hate Crime Review, EU Exit Preparedness work, Causeway and Legacy Inquest Team. In addition, the Department's Senior Records Manager meets with new Senior Civil Service (SCS) Directors and Agency Chief Executives to develop tailored records management in line with the Information Commissioner's guidance.

Whistleblowing

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

An NICS Whistleblowing policy is currently being developed and the Department's procedures will be reviewed following publication of the NICS policy. There were three whistleblowing concerns raised and investigated by the Department during 2019-20.

Anti-corruption and anti-bribery

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

Managing the risk of fraud and bribery is seen by the Department in the context of managing a wider range of risks. The Department promotes an anti-fraud and anti-bribery culture by encouraging management to create conditions in which staff members have neither the motivation nor the opportunity to commit fraud or either offer or accept bribes. Professional staff are the first line of defence against these issues, supported by the establishment and maintenance of carefully designed and consistently operated procedures. Managers have prime responsibility for establishing internal control arrangements to minimise the risk of fraud, corruption and other irregularities within their business areas.

Complaints

The Department is committed to providing a high quality service across all business areas. Key to demonstrating this commitment is a robust and effective complaints procedure which addresses any customer dissatisfaction fairly, comprehensively and with a view to early resolution. The complaints procedure allows customers to report when they are unhappy with the quality of service provided, and receive redress where appropriate. The policy is available on the Department's website at <https://www.justice-ni.gov.uk/doj-complaints> and a policy procedure document to assist staff is in place. Complaints are dealt with by the relevant business area and will receive a detailed form of investigation and response within a specified timescale.

The Department's Complaints Officer monitors the progress of all complaints to ensure compliance with procedures, including adherence to the timescales contained within the policy, and to ensure the Department operates a transparent and consistent complaints system, with all complaints being treated fairly. The Complaints Officer will request that the relevant business area dealing with a complaint documents any lessons learnt, which will be collated and listed in the bi-annual update report to the Departmental Board to note, and take action where necessary. Any recommendations based on the lessons learnt made by the Board will be passed to the Complaints Officer to amend the Department's complaints procedure, and communicate to staff. There were eight complaints recorded for the Core Department during 2019-20, none of which were upheld.

A new Complaints Register was created to monitor all complaints received by the Department and its Agencies. A Complaints Officers Forum has been set up which includes representatives from the Agencies. The Department's Complaints Officer submitted the first bi-annual update report on the progress of all complaints to the Departmental Board in January 2020.

Complaints are handled by the Department's Complaints Officer and can be made:

- in writing to: Standards Unit
Information Services Division
Knockview Buildings
Stormont
Belfast BT4 3SL;
- by telephone: 028 9037 8631; or
- by e-mailing: standardsunit@justice-ni.x.gsi.gov.uk.

Equality and human rights

The Equality Unit has continued to work to ensure that the Department fulfils its statutory Section 75 duties in carrying out its functions. The Board approves annual Departmental Equality and Disability Action Plans which have been more closely aligned with business planning and the Programme for Government outcomes making it easier to monitor progress and ensure timely consideration of equality issues.

We have worked closely with the Equality Commission and Equality practitioners in departments to provide better advice and support in the Department for policy makers and provide a quality assurance function for all screening exercises to ensure relevant evidence is gathered to support decision making. Some awareness training has been carried out to ensure better understanding of equality issues. This pro-active approach has resulted in an improvement in the quality of screening exercises being undertaken.

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

Rural needs

The *Rural Needs Act (Northern Ireland) 2016* came into operation for departments and district councils on 1 June 2017 and for remaining specified public authorities from 1 June 2018. The Act provides a statutory duty on public authorities to "have due regard to rural needs" in the development and delivery of strategies and policies. A Rural Needs Impact Assessment should be carried out in each case.

As required under Section 3 of the Act, nine Rural Needs Impact Assessments were completed by policymakers within the Department of Justice between 1 June 2019 and 31 March 2020. Details of these assessments will be provided to the Department of Agriculture, Environment and Rural Affairs (DAERA) for publication in the Rural Needs Annual Monitoring Report 2019-20.

Corporate social responsibility

Corporate social responsibility has been integrated as an important aspect of the Department's People Plan. Working in a socially responsible way underpins the Department's values of delivering effectively, valuing our people, working together, being outwardly focused and taking responsibility. The Department continues to build on our approach by:

- promoting and supporting the wellbeing of our staff;
- supporting and promoting diversity and inclusion in the workplace;
- making a positive impact on the wider community through volunteering activities; and
- promoting sustainability and environmental issues.

Health and safety

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

The programme of health and safety inspection audits across the core estate continues on a rolling basis. The aim of these audits is to ensure proactive monitoring of health and safety, and to inform management of legal requirements and best practice. The audits also provide valuable information that contributes to policy development. The audit programme for 2019-20 has been completed. To complement the inspection programme, the Department continues to monitor performance through the health and safety management checklist which is used at both a local and corporate level to improve the management of health and safety within the Department.

Estates and Sustainability Branch continues to chair the Department's Health and Safety Forum comprising of health and safety advisors from across the Department including Agencies. The purpose of the Forum is to promote continuity in health and safety across the Department.

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

The Department also continues to promote the importance of reporting all accidents no matter how minor and an annual reminder is issued to staff. Accidents are investigated and appropriate control measures introduced to help avoid reoccurrence.

Asset management

The Department established its Asset Management Board (AMB) following the recommendations made by a review of its estates and asset management arrangements across the justice family. A work programme has been developed to be overseen by the AMB; this is aimed at improving asset management practice, promoting collaboration and increasing efficiency.

In the latter part of the year, the AMB has taken on the role of co-ordinating a joined-up approach on sustainability efforts within the Department to harness and build on much good work being done in the Agencies and ALBs. Its 'Next Steps' paper proposed a number of initiatives and workstreams to be explored across the Department.

The purpose of the Asset Management Board is to:

- ensure that property assets owned and funded by the Department are organised and configured in a strategic and sustainable fashion to support the Department's vision and Corporate Plan, delivery of Justice services, draft Programme for Government and the strategic objectives of the NI Executive's Asset Management Strategy;
- on an annual basis, to oversee and support the commissioning and production of a Departmental Asset Management Plan;
- approve and oversee the delivery of an ongoing programme of cross departmental asset management activity aimed at improving the efficiency and utilisation of the Department's estate as well as embedding asset management best practice across the Department; and
- embed a future-focussed, whole-DoJ approach to asset management within the DoJ family through challenging the current thinking.

NON-EXECUTIVES' REPORT

I am delighted to be asked to provide input to the Department's Annual Report and Accounts and to be able to support the Board in delivery of its objectives. I have been supported in my role as Non-Executive Member on the Departmental Board by my fellow Non-Executive Member Heather Baily. Heather resigned from her role on 31 March 2020 and I want to thank her for her support over the years.

Board effectiveness

The Departmental Board met 11 times during the course of this year and the work programme included a review of performance against the Business Plan and a review of the risk register on a quarterly basis. An annual review of effectiveness was conducted in September 2019 and concluded that the Board was operating effectively. Further changes to the Senior Management Team meant that time has been devoted to strengthening and developing this team and this is also benefiting the Departmental Board.

Departmental Audit and Risk Committee

I am also Chair of the Departmental Audit and Risk Committee (DARC) which met four times over the course of the year, April 2019 to March 2020. DARC saw some changes in its membership during the year. At the beginning of the year I was supported on DARC by fellow Non-Executive Member Heather Baily, and Independent Members Jacqui Durkin and David Reid. However, Heather Baily completed her three year tenure on the Committee in March 2020, and both Jacqui Durkin and David Reid resigned in late 2019 due to work commitments. Brigitte Worth and Graeme Wilkinson were subsequently appointed as new Independent Members in January 2020, and the Committee will welcome David Brown as the new Non-Executive Member at the next meeting. The DARC welcomed the unqualified audit opinion on the 2018-19 Accounts and continued to be diligent in reviewing the Department's approach to risk management and financial controls.

Meetings with Chairs of NDPB Audit and Risk Committees

In March 2019 I set up a network of Audit Committee Chairs from across the Department's Arm's Length Bodies (ALBs) including Agencies and NDPBs. This network provides line of sight to and from the Department and allows for sharing of best practice. To date three meetings have been held discussing key areas including the DoJ Risk Management Framework, Whistleblowing, Proportionality of Governance, and Capturing and sharing of best practice.

Risk Management

I have been pleased to see the changes that have been introduced at the Departmental Board to enhance risk management across the Department. The Board continued to regularly review individual risks at each meeting through deep dive discussions. Deep dives have included preparedness for EU Exit, people and HR issues. This ensures that all risks have at least one deep dive discussion during the course of the year.

A Risk Management workshop was held in September 2019. This was led by the Directors of Justice Delivery and was attended by Senior Civil Servants from across the Department including the Chief Executives of DoJ Agencies. As a result of this workshop the format of the Departmental Risk Register was also reviewed and a revised Risk Register was developed and populated focussing on the strategic risks facing the Department. This has been rolled out across the Department and Agencies and is now beginning to embed.

An issues log was also developed to sit alongside the Risk Register. This covers risks that have materialised and captured the absence of a Northern Ireland Executive and the steps in place within the Department to mitigate this.

During this period we also paid a special attention to the Department's preparedness for EU Exit, taking part in bespoke briefings to provide additional assurance that the Department had considered and had planned for the most likely outcomes.

Towards the end of this year the Covid-19 pandemic occurred. I am pleased to note that the Department successfully implemented arrangements to deal with this event and that currently the Department is implementing its recovery plan.

I look forward to working with my fellow Non-Executive Members and the wider Department to continue to provide effective support, challenge and guidance, and to build on the excellent progress made to date.

Clarke Black
Lead Non-Executive Director

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the *Government Resources and Accounts Act (Northern Ireland) 2001*, the Department of Finance has directed the Department of Justice to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year (inclusive of its Executive Agencies). The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net resource outturn, the application of resources, 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;
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by Executive Agencies;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the Accounts;
- prepare the Accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the Department as Accounting Officer of the Department of Justice. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in *Managing Public Money Northern Ireland*.

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

GOVERNANCE STATEMENT

1. Role and responsibilities of the Department

The mission of the Department is to support the Minister of Justice by working in partnership to create a fair, just and safe community, where we respect the law and each other. Working collaboratively with its Agencies, Non-Departmental Public Bodies (NDPBs) and stakeholders, the Department's aim is to keep communities safe and reduce crime, make the justice system more effective, and reduce reoffending.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department's policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland*.

2. Purpose of the governance framework

The Corporate Governance Framework is the system which ensures the effectiveness of direction and control of the Department. The framework encompasses the following internal controls:

- **governance** - how the Department plans, sets, communicates and monitors its corporate objectives;
- **risk management** - how the Department identifies, considers and manages the risks to the achievement of corporate objectives; and
- **business controls** - how the Department assures itself and its stakeholders that it is in control of its business and the risks to the achievement of its objectives.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk. The framework is based on an ongoing process designed to identify and prioritise the risks to the achievement of Departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. Governance framework

During 2019-20 the Department complied with the Corporate Governance Code. The key organisational structures which support the delivery of effective corporate governance are:

- Departmental Board;
- Departmental Audit and Risk Committee;
- Strategic Resources Committee;
- Procurement Governance Board;
- Internal Audit; and
- Information Risk Owners Council.

Departmental Board

The role of the Board is as set out previously in the Directors' Report. Key work of the Departmental Board during the year included:

- delivery of the Department's key priorities against the Business Plan within the constraints of significant financial pressures and political uncertainty;
- contributing to the delivery of the relevant outcomes within the Outcomes Delivery Plan;
- monitoring and mitigating against Departmental risks;
- overseeing the management of the Department's resources including staff, information, physical and financial resources;
- responding to the Covid-19 pandemic;
- working collaboratively with the Department's Strategic HR Business Partner to plan, monitor and address HR issues; and
- monitoring the Department's legislative programme.

Attendance by members is shown below for the 11 meetings of the Board during 2019-20:

Position	Member	Attendance
Permanent Secretary	Peter May - Chair	11/11
Director, Safer Communities	Anthony Harbinson (until 31 August 2019)	4/4
	Claire Archbold (from 1 September 2019 until 19 January 2020)	4/4
	Julie Harrison (from 20 January 2020)	2/3
Director, Access to Justice	David A Lavery, CB (until 31 August 2019)	2/4
	Anthony Harbinson (from 1 September 2019)	6/7
Director, Reducing Offending	Ronnie Armour	11/11
Director, Justice Delivery	Deborah Brown	11/11
Non-Executive Member	Clarke Black	10/11
Non-Executive Member	Heather Baily	8/11

Departmental Audit and Risk Committee

The Departmental Audit and Risk Committee (DARC) is constituted as a sub-committee of the Departmental Board and acts in an advisory capacity. It provides assurance to the Board that effective systems are in place to monitor risk management, internal controls and governance across the Department and its ALBs. The DARC also oversees the performance and work of Internal Audit in those bodies funded by the Department.

The Committee is chaired by an independent Non-Executive Member of the Departmental Board and membership is made up of three other members. Other DARC attendees include the Department's Directors together with representatives from the Northern Ireland Audit Office (NIAO), Internal Audit, Financial Services Division and the Risk Improvement Manager.

Key work of the DARC included consideration of:

- NIAO audit strategy and reports to those charged with governance;
- Internal Audit's plan including strategy, activity reports and progress updates;
- Head of Internal Audit's annual opinion and report;
- risk management and corporate governance;
- financial governance, fraud reporting and accountability grids;
- annual reports and accounts;
- audit qualification issues and recommendations from Public Accounts Committees and Value for Money reports;
- programme and project management delivery confidence landscape; and
- information assurance report.

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

Position	Member	Attendance
Non-Executive Member	Clarke Black - Chair	4/4
Non-Executive Member	Heather Baily	4/4
Independent Member	Jacqui Durkin (resigned October 2019)	0/2
Independent Member	David Reid (resigned December 2019)	1/2
Independent Member	Brigitte Worth (joined February 2020)	1/1
Independent Member	Graeme Wilkinson (joined February 2020)	1/1

Strategic Resources Committee

The Strategic Resources Committee is constituted as a sub-committee of the Departmental Board to assist and enhance strategic resource decision making in the Department from a finance and HR perspective. The Committee is responsible and accountable to the Departmental Board for:

- analysing, discussing, and reaching agreement on strategic resourcing issues which face the Department, and bringing forward relevant decisions on key resource strategies to the Departmental Board for discussion and ratification. Where appropriate, recommendations will be made to the Minister;
- assisting the Accounting Officer in judging strategic resourcing priorities in the face of financial and/or operational challenges and competing priorities;
- ensuring a consistent approach to financial and HR management across the Department and enabling standards to be agreed and applied within the Department and its ALBs;
- enhancing the quality, standard and accuracy of resourcing plans, projections and management across the Department and its ALBs;
- providing a forum for senior management to discuss resource matters and recommend courses of action applicable to the Department, including the allocation of budgets, HR resources, value for money targets, cost reduction exercises and capital plans;
- promoting understanding of the roles of Financial Services Division and NICS HR, and the importance of financial and HR management within the DoJ family; and
- monitoring performance against targets at a strategic level and advise such as deemed necessary.

Key work of the Committee during the year included:

- reviewing the in-year Departmental funding position and making key decisions to manage cost pressures through the reprioritising of budget allocations, effective cost control and the recycling of proactive savings into front line programmes; and
- planning for the 2020-21 budget, considering PfG and other Departmental priorities and commitments and allocating funding to the Department, its Agencies and NDPBs.

Attendance by members is shown below for the six meetings of the Committee during 2019-20:

Position	Member	Attendance
Permanent Secretary	Peter May - Chair	6/6
Director, Safer Communities	Anthony Harbinson (until 31 August 2019)	2/2
	Claire Archbold (from 1 September 2019 until 19 January 2020)	3/3
	Julie Harrison (from 20 January 2020)	1/1
Director, Access to Justice	David A Lavery, CB (until 31 August 2019)	2/2
	Anthony Harbinson (from 1 September 2019)	4/4
Director, Reducing Offending	Ronnie Armour	5/6
Director, Justice Delivery	Deborah Brown	6/6
Non-Executive Member	Clarke Black	5/6
Non- Executive Member	Heather Baily	4/6
Deputy Director, Finance	Lisa Rocks	5/6

Procurement Governance Board

The Procurement Governance Board provides the governance mechanism for the implementation and delivery of public procurement policy across the Department. The Board meets twice a year and takes its lead on policy based on guidance and advice from the NICS Procurement Board, Construction and Procurement Delivery (CPD) within DoF and its Centre of Procurement Excellence.

The Board ensures that the Department has a robust, open and transparent procurement process in compliance with regulations. It has the remit to influence and advise on the activity undertaken by the Department in relation to:

- **procurement policy** - development, adoption and implementation, and the embedding of procurement policies including the approach to Collaborative Opportunities, Social Clauses and Community Benefits;
- **strategic direction** - provision of strategic direction on procurement related activities to the Department through the Procurement Forum including the management of risk;
- **procurement skills** - capacity and capability development through the Procurement Forum, the Intranet and endorsement of training as required; and
- **eProcurement** - through the Department's procurement and contract management database, the CPD run Purchasers Portal, Account NI and Digital Marketplace (G-Cloud).

The Department continues to ensure that best practice is followed across the various business areas with regards the procurement of goods and services, and the management of contracts.

The Department's Procurement Support Team liaises closely with CPD and is the primary point of contact for business areas needing advice and assistance on procurement issues. The Procurement Support Team is also the contact for CPD for the majority of collaborative contracts, ensuring all DoJ business area requirements are covered in the tender documents and that these contracts are managed effectively.

The Procurement Forum meets on a quarterly basis and includes representatives from the various business areas across the Department, and works to promote best practice, address ongoing matters and inform the Procurement Governance Board of significant issues.

Internal Audit

Internal Audit services to the Department are provided by a Group Internal Audit and Fraud Investigation Service. Internal Audit staff from the Department of Finance (DoF) deliver the Internal Audit service to the Core Department, its Agencies and a number of NDPBs including:

- Criminal Justice Inspection Northern Ireland;
- Northern Ireland Police Fund;
- Police Rehabilitation and Retraining Trust;
- Police Service of Northern Ireland;
- Probation Board for Northern Ireland; and,
- RUC George Cross Foundation.

A Memorandum of Understanding and Service Level Agreement (SLA) covering the Internal Audit arrangements have been agreed between DoF and the Department. Data Sharing Agreements are also in place to ensure compliance with General Data Protection Regulations (GDPR).

Information Risk Owners Council

Information Risk Owners Council (IROC) members are accountable for the management of the information assurance risks in their respective business areas. As a Council it reports to the Senior Information Risk Owner and consults with the Department's Departmental Security Officer. The membership is made up of lead Senior Information Asset Owners at Senior Civil Service level, drawn from across the business areas of the Department, its Agencies and ALBs. The Department's Chief Information Officer and Data Protection Officer attend ex-officio, as their responsibilities include Data Protection and relations with the Information Commissioner.

The role of the Council is to ensure that the value of information the Department holds or uses is identified and utilised to the fullest extent to support the Government's strategic objectives, while understanding the risks to information and ensuring that the necessary controls are in place to protect information from inappropriate use. The members are also responsible individually for managing all information in their business areas in ways that preserve its confidentiality, integrity and availability appropriately. IROC also provides a channel for communication and co-ordination between the Department and NICS corporate initiatives. IROC oversees the ongoing embedding of the GDPR regime within the Department.

Information assurance

One incident was reported as a breach to the Information Commissioner's Office (ICO), (not by the Department but by a third party), relating to a list of names of prisoners and visitors. The ICO contacted the Department regarding the incident, and their initial queries were answered on 15 August 2019. On 12 May 2020, the ICO contacted the Department again with an extensive list of further queries; a response issued at the end of June.

During the year the Department was criticised by the Commissioner for Public Appointments (CPANI) for a 2018-19 incident which related to the running of a public appointment competition to appoint members to the Board of the Probation Board for Northern Ireland. During the process, information on candidates was provided to the Northern Ireland Office (NIO) out-with normal Departmental practice. Measures have been taken to prevent a recurrence. A separate incident, reported to the ICO during 2018-19, resulted in the individual taking legal action against the Department. The action was settled in November 2019. The breach arose because a business area issued sensitive personal data to an incorrect address thereby disclosing details of the proceedings against them to be known by other members of their family. The individual claimed that the disclosure had resulted in stress within his family.

The Information Assurance risk register continues to be reviewed at every meeting of the Departmental Information Risk Owners Council (IROC), and the Chief Information Officer presents a report for discussion covering new incidents.

Other assurances

Additional assurance on various elements of the Department's operations is provided by a range of bodies including Criminal Justice Inspection Northern Ireland, the Office of the Police Ombudsman for Northern Ireland and Prisoner Ombudsman. These bodies tend to focus on specific areas providing additional scrutiny, reporting and in some cases making recommendations for improvement.

Assurance on risk management in the Department's Agencies and NDPBs is provided in the form of bi-annual assurance statements and annual governance statements, which are signed by the designated Accounting Officers.

A Strategic Partnership Forum was established in June 2019 as part of ongoing engagement with Arm's Length Bodies (ALBs). The forum is chaired by the Director of Justice Delivery and comprises of the Chairs and Chief Executives of the Department's ALBs. A further meeting took place in February 2020 where information was shared on new Partnership Arrangements.

4. Risk management and internal control

The Department aims to assess and effectively manage risk to the achievement of its business objectives. Its capacity to manage risk derives from the experience and ability of managers to operate the fully documented risk management process. The Department's Risk Management Framework is in line with best practice set out in the Northern Ireland Audit Office report on 'Good Practice in Risk Management'.

The Framework details the Department's approach to risk management, including: risk appetite; the hierarchy for managing risks; the risk identification and escalation process; and the roles and responsibilities of the various levels of management.

This approach allows risks to be identified and managed at all levels and to be escalated as appropriate.

The Departmental Board provides leadership and direction in managing the risk environment in which the Department operates. Each Director provides leadership to the risk management process in their particular areas of responsibility, as well as corporately through their involvement in the Departmental Board, the Departmental Audit and Risk Committee and local management meetings. Each business area prioritises risk against standardised risk impact/likelihood descriptors to reduce subjectivity in assessing risk. Key risks identified at corporate, group and divisional level were documented in risk registers and reviewed during the year.

A risk management workshop held in September 2019 considered and reviewed the risk appetite statement, reviewed the Department's approach to Risk Management and populated a new risk register focussing on the strategic risks linked to the delivery of the Business Plan.

The Corporate risks identified through this process included:

- Resources;
- Capability and capacity;
- Collaboration;
- Community confidence; and
- Information.

The Corporate Risk Register continues to be reviewed regularly by the Departmental Board at its monthly meetings. It was also routinely provided to Departmental Audit and Risk Committee meetings.

In addition to the Risk Register, an Issues log was also developed during the course of this year and issues included:

- Absence of Justice Minister/Northern Ireland Assembly;
- EU Exit;
- Legacy; and
- Response to the Covid-19 pandemic.

Although the Covid-19 pandemic has been a significant issue for the Department, key services have continued to be delivered through an innovative and flexible response across the Department.

5. Review of effectiveness of the governance framework

The Accounting Officer has responsibility for reviewing the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit, the internal control framework and comments made by external audit in their reports to those charged with governance and other reports. A sound governance framework has been established across the Department which includes:

- management boards;
- audit committees with independent membership;
- management statement and financial memorandum with sponsored bodies;
- governance reviews;
- sponsor control monitoring;
- annual governance statements;
- stewardship statements; and
- independent reviews by Internal Audit.

An independently facilitated review of effectiveness of the Board was conducted in October 2019. A number of minor process improvements were identified and these have largely been implemented.

Information presented to the Board is fundamental for its assessment and understanding of the performance of the department. The Board receives a variety of standard information, and other papers, which are quality reviewed by the Board secretariat. The information received is considered to be of a high standard and allows the Board to be kept informed of any issues that it needs to be aware of to support decision making and drive improvement. The Board considers that it is fulfilling its governance requirements.

From April 2019 to January 2020 the *Northern Ireland (Executive Formation and Exercise of Functions) Act 2018* provided a framework for progressing decisions in the absence of a Minister and this enabled the work of the Department to continue, although in a more limited environment. With the re-establishment of the Northern Ireland Assembly and the appointment of a Justice Minister in January 2020 this Act was rescinded.

Planning for EU Exit readiness also occupied much of the Department's time and resource. A range of plans were developed for different scenarios. While the uncertainty around EU Exit was difficult to predict, the work done meant we would have been ready to deal with any scenario. We will now ensure we maintain readiness for whatever unfolds.

6. Budget position

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

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

7. Significant internal control issues

The following sections outline the significant internal control issues at a Departmental level together with details of the plans in place to address any weaknesses identified. Further details regarding the issues for individual Agencies and NDPBs are contained in their respective annual reports and accounts.

Legal Services Agency Northern Ireland (LSA)

The C&AG qualified the 2019-20 financial statements of LSA in respect of:

- the level of estimated official error in legal aid payments and a limitation in scope on the regularity of legal aid payments in the period - due to the LSA being unable to provide sufficient evidence to assure NIAO that a material amount of legal aid expenditure had not been claimed fraudulently or due to claimant error; and
- a limitation in scope regarding the true and fair view of the balance of provisions for legal aid liabilities stated in the Statement of Financial Position and the resulting adjustments required to the annual legal aid expenditure. LSA was unable to provide sufficient evidence to support its estimate of the provision for legal aid liabilities to the necessary level of accuracy.

LSA has continued with a work programme to address these qualifications and has been taking this forward in conjunction with both DoJ and the Department for Communities (DfC). A number of the changes required have been addressed through the introduction of LAMS during 2019 however other elements of the work programme will continue to span a number of financial years.

Regularity of expenditure

The LSA has continued with a range of initiatives to address this qualification.

A MoU was established, from April 2017, with the SAU within DfC, to measure official error rates. 2019 represents the first full year of testing under the agreed methodology and will act as a benchmark for future years. The outcome for 2019 is set out below:

	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
Total error	£8,296,498	£6,575,225	£10,017,771
Overpayments	£6,196,971	£4,513,359	£7,880,583
Underpayments	£2,099,527	£1,576,881	£2,622,173
Total excluding deemed errors	£5,761,904	£4,256,774	£7,267,035

	MVE as a % of Expenditure	LCI as a % of Expenditure	UCI as a % of Expenditure
Total error	11.10%	8.80%	13.50%
Overpayments	8.30%	6.10%	10.60%
Underpayments	2.80%	2.10%	3.50%
Total excluding deemed errors	7.70%	5.70%	9.80%

A sample of 893 cases was independently assessed by the SAU and the amount of legal aid estimated to have been paid incorrectly due to official error was projected at £8,296,498 over the review period. Looking at the confidence intervals, the true amount paid incorrectly is likely to lie within the range £6,575,225 to £10,017,771. This represents 11.1% (8.8-13.5%) of the expenditure on cases that had a Report on Case authorised between January and December 2019.

The overall amount estimated to have been paid incorrectly due to official error is £8,296,498; this is the combination of the estimated value of overpayments, £6,196,971, and that of underpayments, £2,099,527. While the Agency accepts that all error is equally valid these extrapolated figures represent over and underpayments and hence are compensatory. The net overpayment estimated due to official error is therefore £4,097,444.

The results are split into actual and deemed errors. Deemed errors are defined as instances where monitoring officers required further information to complete their review and where that information was not provided by the year end reporting date. Excluding deemed errors, the amount of legal aid estimated to be paid incorrectly due to official error reduces to £5,761,904 (£4,256,774 to £7,267,035) over the review period. This represents 7.7% (5.7 to 9.8%) of the expenditure on cases that had a Report on Case authorised between January and December 2019.

In those cases in which the monitoring officers identified an actual underpayment or overpayment, the Agency has a process to adjust the fees and make recoupments to address the incorrect errors. Underpayments due to the practitioner will be notified and an additional payment made under the case. Recoupments from the practitioner are likewise tracked against the case and will be offset within LAMS from future payments due to the same supplier under other cases. No recoupment is made of deemed errors as the accuracy or otherwise of the payment cannot be proved due to the lack of information. All underpayments and recoupments are processed in keeping with the LSA's policy covering Error Corrections.

LSA has appointed a dedicated team to deal with the work arising from the error work programme. They respond to deemed errors by providing information requested, analysing the source of the errors, identifying underlying issues and recommending remedial action to address. This may take the form of operational change whether through the ongoing revision to desk instructions, clarification of the interpretation of legislation or improved interface with other criminal justice organisations.

The methodology for addressing applicant fraud and error, through home visits to Assisted Persons, has been developed during 2019-20. Sampling was incorporated within the MoU between LSA and SAU for 2020-21 and commenced during 2020. This work had to cease due to the Covid-19 restrictions and is due to recommence in January 2021, though consideration will be given to alternative means of delivery.

LSA review the ongoing financial eligibility of individuals who remain in receipt of civil legal aid. The initial review of error methodology by the SAU has also identified the potential for DfC to undertake face-to-face applicant review visits for relevant Assisted Persons as a further form of assurance in respect of ongoing financial eligibility. This work is termed Future Overpayment Prevention (FOP). The development of the methodology will be revisited during 2020-21, particularly in light of Covid-19 restrictions, with a view to introduction during 2022.

Work has also progressed on plans to develop the practitioner counter fraud capabilities within the Agency with a view to commencing this work stream in 2020-21.

Provisions

The LSA continues to support work led by the Department to improve the techniques and methodology used when estimating outstanding liabilities for publicly funded legal services provided by legal practitioners. The introduction of LAMS has greatly enhanced the ability of the Agency to identify the relevant cases and provide underlying reporting from the system so eliminating much of the intensive manual work previously conducted.

The existing methodology has been replicated within LAMS for 2019-20 but refined to reflect the additional information available.

A more complete review of the provisions methodology is to be undertaken during 2020-21. The usage of auto-close functionality within LAMS allows for fully paid cases to be excluded from provisions and for current average costs to be assessed more readily. Auto-close functionality commenced operation from 8 August 2020 and will help clarify the population of 'live' cases against which a provision is required. It will also support ongoing work to analyse the average costs of claims allowing their estimation to be based on the record of closed cases within LAMS.

Given the complex nature of provisions for publicly funded legal services and the range of issues which remain outside the LSA's control, providing the necessary levels of assurance to the NIAO to have this qualification removed remains a significant challenge. The LSA will continue to work with the Department to enhance controls in this area with the aim of removing the qualification in future years.

Reports by the Northern Ireland Audit Office and Public Accounts Committee

The C&AG undertakes other statutory activities that are not related to the audit of the body's financial statements, such as Value for Money (VFM) reports. These are then normally considered by the Public Accounts Committee (PAC) at a public evidence session before a formal report is issued.

The current VFM and PAC Reports that have been issued to DoJ include:

- Reducing costs in the Police Service of Northern Ireland - April 2020;
- Injury on duty schemes covering the Police Service of Northern Ireland and the Northern Ireland Prison Service - March 2020;
- Mental Health and the Criminal Justice System - May 2019;
- Speeding Up Justice: Avoidable Delay in the Criminal Justice System - March 2018;
- Managing Children who Offend - July 2017; and
- Managing Legal Aid - January 2017.

The Department continues to ensure that appropriate action is taken to implement the recommendations made and progress is reported to the Departmental Audit and Risk Committee as well as the respective Agency Audit Committees.

Priority 1 recommendations from Internal Audit

A small number of internal audits completed during the year, or from previous years, have provided limited assurance in the Core Department and Agencies. The implementation of any Priority 1 recommendations relating to these audits are subject to review by both Internal Audit and the Audit and Risk Committee for the relevant business area.

Accounting Officer statement on assurance

The Department has an established and robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity.

In addition, independent assurance is provided by the Department's Internal Audit service, provided by DoF, operating to Public Sector Internal Audit Standards. Internal Audit delivers an agreed prioritised programme of systems based audits covering all Departmental systems over time. The Head of Internal Audit provides me with an Annual Report and Opinion on the level of assurance that can be provided based on the work done. For the 2019-20 year an overall satisfactory assurance was provided.

NICS Shared Services

Internal Audit conducted a review of NICS whistleblowing arrangements during 2017-18 and a report has been prepared for the NICS Board. This review identified that the current arrangements within the Department required some improvement in relation to overall responsibility, recording and reporting of whistleblowing concerns raised. The Department has taken steps to update the current Whistleblowing Policy to ensure compliance with best practice and it is anticipated that these new arrangements will come into effect in the near future.

A NICS wide Risk Management Internal Audit review was conducted during 2018-19 and a report presented to the NICS Board for consideration. DoF are taking these recommendations forward.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

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

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

Service contracts

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

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

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

Clarke Black was appointed as a Non-Executive Member of the Departmental Board on 8 September 2014 for an initial three year period and this was subsequently extended to 31 March 2021. He is also the Chair of the Departmental Audit and Risk Committee (DARC). Heather Baily was appointed as a Non-Executive Member of the Departmental Board on 1 August 2017 for an initial period of three years to 31 August 2020. Heather Baily, Non-Executive Member stood down from this role on 31 March 2020 and has been replaced by David Brown. Non-Executive Members may terminate the appointment by providing one month's notice in writing.

Remuneration and pension entitlements

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

Remuneration and pension entitlements - Minister

[Audited information]

Single total figure of remuneration

Ministers	2019-20				2018-19			
	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total (to nearest £1,000)	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total (to nearest £1,000)
	£	£	£	£	£	£	£	£
Naomi Long MLA (from 13 January 2020)	8,479	-	3,000	11,000	-	-	-	-

There was no Minister in place during 2018-19.

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

Remuneration and pension entitlements - Officials

[Audited information]

Single total figure of remuneration

Officials and Non-Executive Members	Salary	Benefits in kind	*Pension Benefits	2019-20
	£000	(to nearest £100) £000	(to nearest £1,000) £000	Total £000
Peter May Permanent Secretary	125-130	-	32	155-160
Anthony Harbinson Director, Safer Communities (until 31 August 2019)	105-110	-	38	140-145
Director, Access to Justice (from 1 September 2019)				
David A Lavery, CB Director, Access to Justice (until 31 August 2019)	45-50 (full year equivalent 110-115)	-	(2)	40-45
Ronnie Armour Director, Reducing Offending	95-100	-	51	150-155
Deborah Brown Director, Justice Delivery	85-90	-	8	95-100
Julie Harrison Director, Safer Communities (from 20 January 2020)	20-25 (full year equivalent 100-105)	-	8	25-30
Clare Archbold Director, Safer Communities (from 1 September 2019 until 19 January 2020)	35-40 (full year equivalent 90-95)	-	4	40-45
Clarke Black Non-Executive Member	10-15	1.2	-	10-15
Heather Baily Non-Executive Member	5-10	7.9	-	10-15

Remuneration and pension entitlements - Officials (continued)

[Audited information]

Single total figure of remuneration

Officials and Non-Executive Members	Salary	Benefits in kind	*Pension Benefits	2018-19
	(to nearest £100) £000	(to nearest £100) £000	(to nearest £1,000) £000	Total £000
Peter May Permanent Secretary (from 6 September 2018)	65-70 (full year equivalent 115-120)	-	12	80-85
Nick Perry, CB Permanent Secretary (until 5 September 2018)	60-65 (full year equivalent 125-130)	-	(50)	10-15
Anthony Harbinson Director, Safer Communities	100-105	-	27	125-130
David A Lavery, CB Director, Access to Justice	110-115	-	(1)	110-115
Ronnie Armour Director, Reducing Offending	90-95	-	42	135-140
Deborah Brown Director, Justice Delivery (from 5 March 2019)	5-10 (full year equivalent 85-90)	-	(6)	(0-5)
Lianne Patterson Director, Justice Delivery (until 5 March 2019)	85-90 (full year equivalent 95-100)	-	38	120-125
Clarke Black Non-Executive Member	5-10	1.8	-	10-15
Heather Baily Non-Executive Member	5-10	3.0	-	10-15

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

Salary

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

The Northern Ireland Assembly was dissolved from 26 January 2017 until an Executive was formed on 11 January 2020. Ministers were not in place during this time. From 11 January 2020, the Department of Justice was under the direction and control of Naomi Long MLA. Her salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in these accounts. These amounts do not include costs relating to the Minister's role as MLA/MEP which are disclosed in the appropriate legislature accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs (HMRC) as a taxable emolument. In line with revised guidance from HMRC for Non-Executive Members (NEMs) with effect from 1 April 2019, expenditure on benefits in kind has been grossed up for individual NEMs and PAYE/NIC rules applied in line with normal payroll procedures.

Pay multiples

[Audited information]

	2019-20 Core Department and Agencies	2018-19 Core Department and Agencies
Band of highest paid Director's Total Remuneration*	£120-125,000	£115-120,000
Median Total Remuneration*	£28,167	£27,819
Ratio	4.35	4.22

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

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

The banded remuneration of the highest-paid director in Department in the financial year 2019-20 was £120,000 to £125,000 (2018-19: £115,000 to £120,000). This was 4.35 times (2018-19: 4.22) the median remuneration of the workforce, which was £28,167 (2018-19: £27,819). In 2019-20, three employees (2018-19: four) received remuneration in excess of the highest paid director. Remuneration ranged from £16,000 to £158,000 (2018-19: £14,000 to £156,000). The remuneration band of the highest paid Director is lower than the banded salary included as the 'single total figure of remuneration' due to the inclusion of salary arrears in the latter.

Pension entitlements - Minister

	Accrued pension at pension age as at 31/3/20 £000	Real increase in pension at pension age £000	CETV at 31/3/20 £000	CETV at 31/3/19* £000	Real increase in CETV £000
Naomi Long MLA (from 13 January 2020)	0-5	0-2.5	2	-	1

* Or later on joining

There was no Minister in place during 2018-19.

Ministerial pensions

Pension benefits for Ministers are provided by the *Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS)*. In 2011 the Assembly passed the *Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland)* establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. In April 2016 the Independent Financial Review Panel issued the *Assembly Members (Pensions) Determination (Northern Ireland) 2016* which introduced a Career Average Revalued Earnings scheme for new and existing members. The new scheme is named *Assembly Members' Pension Scheme (Northern Ireland) 2016* and replaces the 2012 scheme. Existing members born on or before 1 April 1960 retain their Final Salary pension arrangements under transitional protection until 6 May 2021. The final decision on the McCloud judgement has yet to be agreed and the outcome may have an impact on Members affected by the Transitional Protection policy.

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a 'contribution factor' basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 14.4% of the Ministerial salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

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. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended)

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.

Real increase in the value of the CETV

This is the increase in accrued pension due to the department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension entitlements - Officials

[Audited information]

Officials	Accrued pension at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20*	CETV at 31/3/19**	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	
Peter May Permanent Secretary	55-60 plus 65-70 lump sum	0-2.5 plus 0-2.5 lump sum	1,061	1,032	27	-
Anthony Harbinson Director, Safer Communities (until 31 August 2019)	45-50 plus 145-150 lump sum	0-2.5 plus 5-7.5 lump sum	1,093	1,003	37	-
Director, Access to Justice (from 1 September 2019)						
David A Lavery, CB Director, Access to Justice (until 31 August 2019)	50-55 plus 160-165 lump sum	0-2.5 plus 0-2.5 lump sum	1,214	1,201	(2)	-
Ronnie Armour Director, Reducing Offending	45-50 plus 110-115 lump sum	2.5-5 plus 0-2.5 lump sum	929	853	34	-
Deborah Brown Director, Justice Delivery	20-25 plus 45-50 lump sum	0-2.5 plus 2.5-5 lump sum	362	334	9	-
Julie Harrison Director, Safer Communities (from 20 January 2020)	0-5	0-2.5	6	-	4	-
Clare Archbold Director, Safer Communities (from 1 September 2019 until 19 January 2020)	35-40 plus 80-85 lump sum	0-2.5 plus 0 lump sum	690	667	(1)	-

* Or earlier on leaving

** Or later on joining

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

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

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

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

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

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

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

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do

make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Pension liabilities

The treatment of pension costs and liabilities is disclosed in the Remuneration Report and Note 1.19 of the Statement of Accounting Policies (Note 1 to the Accounts).

Compensation for loss of office

There were no compensation benefits paid by the Department to any senior staff members during the financial year (2018-19: £Nil).

STAFF REPORT

Staff costs

Staff costs for the Core Department and its Agencies comprise:

[Audited information]

Core Department and Agencies

				2019-20 £000	2018-19 £000 *Restated
	Permanently Employed **Staff	Others	Minister	Total	Total
Wages and salaries	103,288	2,735	8	106,031	101,050
Social security costs	10,815	-	1	10,816	10,384
Other pension costs	28,290	-	1	28,291	20,680
Pension provision	-	-	-	-	(1,008)
Total Gross Costs	142,393	2,735	10	145,138	131,106
Less recoveries in respect of outward secondments	(347)	-	-	(347)	(324)
Total Net Costs***	142,046	2,735	10	144,791	130,782

Of which:	Charged to Administra- tion	Charged to Programme	2019-20 £000	Charged to Administra- tion	Charged to Programme	2018-19 £000 *Restated
			Total			Total
Core Department	16,109	5,242	21,351	14,382	5,040	19,422
Agencies	9,495	114,292	123,787	8,497	103,187	111,684
Total Gross Costs	25,604	119,534	145,138	22,879	108,227	131,106

* Figures for 2018-19 have been restated to reclassify Apprenticeship levy expenditure of £453,601 as Social security costs rather than Wages and salaries.

** Permanently employed staff includes the cost of the Department's Special Adviser. The holder of this post during 2019-20 was paid pro-rata from 14 January 2020 within Pay-band 1 (up to £54,999 per annum) in line with the new Special Adviser Code, as agreed by the Executive on 20 January 2020). There was no Special Adviser in post during 2018-19.

*** In addition, staff costs of £1,085,907 (2018-19: £975,237) have been capitalised in respect of staff directly assigned to major capital projects.

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

For 2019-20, employers' contributions of £28,491,111 were payable to the NICS pension arrangements (2018-19: £20,886,640) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £40,774 (2018-19: £25,193) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £1,952; 0.5% (2018-19: £1,029; 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

44 persons (2018-19: 38 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £4,697 (2018-19: £13,212).

Northern Ireland Courts and Tribunals Service (NICTS)

Judicial office holders are covered by the provisions of the Judicial Pension Schemes (JPS), the terms of which are set out in (or in some cases are analogous to) the provisions of two Acts of Parliament, (*Judicial Pensions Act 1981* and *Judicial Pensions and Retirement Act 1993* (JUPRA)), *Judicial Pensions Regulations 2015* and *Judicial Pensions Regulations (Northern Ireland) 2015*. The JPS are unfunded public service schemes, providing pensions and related benefits for members of the Judiciary in eligible offices. The cost of benefits accruing for each year of service is shared between the sponsoring department and the judicial office holders.

The *Judicial Pension Scheme (JPS) 2015* and *Northern Ireland Judicial Pension Scheme (NIJPS) 2015*, were introduced on 1 April 2015. These mirror each other and, as far as possible, other public service career average pension schemes. From 1 April 2015 NICTS pay contributions in relation to salaried and fee-paid excepted and devolved salaried Judicial Office Holders sponsored by DoJ. The employer contribution rate during 2019-20 was 51.35%. This comprised the rate of 51.1% recommended by the Government Actuary's Department (GAD) plus 0.25% of pensionable pay to reflect the cost of scheme administration paid to the Ministry of Justice (MoJ). The employer contribution rate will remain at 51.35% for 2020-21.

The Fee-Paid Judicial Pension Scheme, established under the *Judicial Pensions (Fee-Paid Judges) Regulations 2017*, was implemented from 1 April 2017 to deliver the litigation remedy to eligible fee-paid office-holders in the case of *O'Brien v MoJ* and related litigation, including in Northern Ireland.

Public appointments

The Department is responsible for the Broadly By Analogy (BBA) pension schemes of public appointments within its Departmental boundary and also entities for which it retains lead policy responsibility. A BBA pension arrangement entitles the recipient to benefits similar to the classic scheme in the NICS pension arrangements. The scheme liabilities were calculated by an independent Actuary amounted to £1.376m at 31 March 2020 (2018-19: £1.225m).

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Core Department as well as its Agencies and other bodies included within the consolidated Departmental resource account (including senior management, ministers, special advisers, staff on secondment or loan into the Department and agency/temporary staff, but excluding staff on secondment to other organisations).

[Audited information]

Core Department and Agencies

	Permanently Employed Staff*	Others	**Minister	**Special Advisers	2019-20 Total	2018-19 *Restated Total
Safer Communities	283	2	-	-	285	286
Access to Justice	713	60	-	-	773	728
Reducing Offending	1,723	6	-	-	1,729	1,719
Justice Delivery	301	31	1	1	334	336
Total*	3,020	99	1	1	3,121	3,069
Of which:						
Core Department	370	5	1	1	377	368
Agencies	2,650	94	-	-	2,744	2,701
Total***	3,020	99	1	1	3,121	3,069

* 2018-19 staff numbers have been restated following the transfer of business functions from Access to Justice Directorate to Justice Delivery Directorate on 1 April 2019.

** The Minister was in post from 13 January 2020 and the Special Adviser was in post from 14 January 2020.

*** Of the total, 25 members of staff (2018-19: 30) were engaged on capital projects.

Staff composition

The number of persons employed at 31 March 2020 by the Core Department and its Agencies was as follows:

	Female staff	Male staff	Total staff
Departmental Board	3	4	7
Senior Civil Service	11	12	23
Departmental employees	1,523	1,695	3,218

The breakdown of Senior Civil Service staff by pay scale is as follows:

	Total staff
Pay Scale 1 - £70,522 to £80,847	18
Pay Scale 2 - £90,601 to £103,379	4
Pay Scale 3 - £116,627 to £136,343	1
Pay Scale 4 - £157,415 to £184,580	-

Managing attendance

Sickness absence reduction remains a priority for the NICS departments. In DoJ, the actual outturn figure for days lost per staff year due to sickness absence for 2019-20 is 15.5 days, this represents an increase from previous years which was 13.9 days in 2018-19 and 14.9 days in 2017-18. Figures include uniformed Prison Service staff.

NICSHR provides a detailed report to the Board and the Department's Strategic HR Business Partner attends monthly Departmental Board Meetings to provide an update on human resource related issues including sick absence. Managers at all levels have a critical role in addressing the level of sickness absence. HR business partners proactively engage with Directors, Heads of Divisions, Chief Executives, Line Managers and in business areas, offering appropriate advice and support to help manage sickness absence, staff wellbeing and potential measures to reduce absence.

Staff policies

Employment, training and advancement of disabled persons

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

The NICS has an active network of Diversity Champions and has appointed a Director as the NICS Diversity Lead for Disability. The NICS has an active Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all staff feel valued. The NICS promotes a number of schemes for disabled staff, including a successful Work Experience Scheme for People with Disabilities.

Diversity and inclusion

The Board continues to support its commitment to diversity; a NICS Diversity Strategy and Action Plan are led by a Board level Champion. The Strategy informs the work of the NICS Diversity Champions Network, which has developed a cross-departmental work programme with commitments to be delivered both corporately and within individual departments.

During 2019-20, the Department, along with justice partners engaged with the wider public at the Belfast Pride and Mela festivals by providing information to raise awareness of the important work of the Department and its Agencies. The Department's stand included information on themes such as hate crime, modern day slavery and human trafficking and drug awareness. The Department also held several events to raise awareness of diversity issues including LGBT, Carers and International Job Shadow Day. The annual Christmas Diversity Giving Campaign for 2019 supported Baby Basics a local charity supporting new mothers and families struggling to meet the financial cost of a new baby.

Pay, workforce planning and performance management

All general service staff in the Department have now been on-boarded to HR Connect. This standardises the use of the performance management module on HR Connect for these staff. Work is continuing on a project for the future provision of HR and Payroll services for Prison Service operational, industrial and support Grades.

Pay policy

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

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

Pensions and early departure costs

Present and past employees of the Department and its Agencies are covered by either the NICS pension arrangements, Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC), Teachers' Superannuation Scheme or BBA Pensions. Those entities covered by each scheme meet the costs of pensions provided for the staff they employ by the payment of charges called Accrued Superannuation Liability Charges. This is charged to the Statement of Comprehensive Net Expenditure on an accrued basis annually.

The Department is also required to meet the additional cost of benefits beyond the normal benefits in respect of employees who retire early. The Department provides in full for this cost, charged against the Statement of Comprehensive Net Expenditure, when an early retirement programme has been announced. In addition to information contained within the Remuneration and Staff Report, Notes 1.19, 1.20 and 16 to the Accounts provide further detail on how the pension liabilities are calculated.

Trade union relationships

DoF is responsible for the policy on how the NICS consults and negotiates with its staff through industrial relations. NICS HR has continued to consult on central matters with all recognised Trade Unions (Non-industrial Trades Unions: Northern Ireland Public Service Alliance, First Division Association, Prison Officers' Association; Industrial Trades Unions: Unite the Union and GMB), throughout the year. Arrangements also exist at local level within each Department to consult on matters specific to that Department or individual business area.

Staff engagement

The DoJ People Plan was published in November 2018. It set out 27 recommendations which were established after consultation with DoJ staff through the Staff Engagement Forum.

An action plan was developed which included a number of Task and Finish Groups to further develop a number of recommendations. A number of actions have been completed during the 2019-20 year as a direct result of the action plan, including:

- new mission statement and values;
- Board Q&A session with staff;
- a Grade 6/7 leadership conference;
- introduction of monthly learning events;
- pilot mentoring scheme for Executive Officers (EOs);
- redesigned Corporate Induction information;
- the DoJ Valuing our People Awards 2019; and
- new internal communications tools - re-designed Board Brief, Team Time procedures, staff E-zine, Staff Zone intranet pages.

These actions were taken forward in partnership with the Staff Engagement Forum, and the new Personal and Organisational Development Forum and Internal Communications Forum.

The second DoJ Wellbeing Week took place in February 2020, with events being held across the Department. This week of events is unique to the NICS and an area of staff engagement which staff consistently praise and ask for more of. 361 staff (an increase on 270 from the previous Wellbeing Week) registered for health checks and information sessions which included 'The Conscious Leader', Mindwise - Mental Health Awareness, NICS Pensions, The Role of Enduring Power of Attorney, Sleep Workshop, Mindfulness Workshop, Yoga, Sustrans, NICSSA promotion and the ever popular Stormont Estate 5K Walk, Jog, Run.

The DoJ Core was accredited with silver IIP status in December 2019 and it is intended that the learning from this will be rolled out to Agencies along with the opportunity to gain accreditation at a later date. Work has progressed on the development of the DoJ People Plan 2020-21 using the IIP version 6 model, and the recommendations coming out of the IIP assessment, which provides a useful framework to structure our actions.

In the coming year there will be a particular focus on:

- Engagement - further developing staff engagement mechanisms at a local level;
- Leadership - delivery of a leadership framework over the next three years; and
- Learning and Development - developing a more strategic approach to Learning and Development and a learning culture within DoJ.

Learning and development

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

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

Off-payroll payments

[Audited information]

The Department had the following 'off-payroll' engagements during the financial year as per the criteria set by the Department of Finance. None of the Departmental Board Members are paid "off payroll".

	Core Department	Agencies	Total
Number of engagements at 1 April 2019	-	2	2
New engagements during the year	2	-	2
Engagements that have come onto the organisation's payroll during the year	-	-	-
Engagements that have come to an end during the year	-	-	-
Number whose earnings fell below the threshold in 2019-20	-	-	-
Number of engagements at 31 March 2020	2	2	4

Expenditure on consultancy

[Audited information]

In 2019-20, the Department paid £21,350 (2018-19: £43,552) to external consultants. This amount is included in Professional and consultancy costs disclosed within Notes 5 and 6 to the financial statements.

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

Core Department and Agencies	2019-20			2018-19
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
Exit package cost band				
below £10,000	-	-	-	2
£10,000 - £25,000	-	1	1	-
£25,000 - £50,000	1	-	1	5
£50,000 - £100,000	-	1	1	-
£100,000 - £150,000	-	-	-	-
£150,000 - £200,000	-	-	-	-
over £200,000	-	-	-	-
Total number of exit packages	1	2	3	7
Total resource cost £	£32,356	£86,821	£119,177	£198,763

Redundancy and other departure costs have been paid in accordance with the provisions of the *Civil Service Compensation Scheme (Northern Ireland)*, a statutory scheme made under the *Superannuation (Northern Ireland) Order 1972*. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

ASSEMBLY ACCOUNTABILITY

Statement of Assembly Supply (SoAS)

In addition to the primary statements prepared under IFRS, the Government *Financial Reporting Manual (FRM)* requires the Department of Justice to prepare a Statement of Assembly Supply (SoAS) and supporting notes.

The SoAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SoAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SoAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (Note 1); a reconciliation of Outturn to Net Expenditure in the SoCNE, to tie the SoAS to the financial statements (Note 2); a reconciliation of Net Resource Outturn to Net Cash Requirement (Note 3); an analysis of income payable to the Consolidated Fund (Note 4); a reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (Note 5); and detail on non-operating income - excess Accruing Resources (Note 6).

Key to information presented in the Statement of Assembly Supply:

Colour	Type of expenditure
	Outturn
	Estimate
	Outturn vs Estimate saving/(excess)

The notes on pages 86 to 138 form part of these Accounts.

Summary tables - mirror Part II and III of the Estimates**Summary Table 2019-20 - all figures presented in £000s**

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2018-19
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total	
Request for Resources A	SoAS 1	1,383,248	(52,343)	1,330,905	2,027,178	(54,022)	1,973,156	642,251	1,270,637
Total Resources	SoAS 2	1,383,248	(52,343)	1,330,905	2,027,178	(54,022)	1,973,156	642,251	1,270,637
Non-operating Accruing Resources		-	-	-	-	-	-	-	1,527

Net Cash Requirement 2019-20 - all figures presented in £000s

Item	Note	Outturn	Estimate	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2018-19
Net Cash Requirement	SoAS 3	1,303,461	1,343,461	40,000	1,276,482

Summary of income payable to the Consolidated Fund - all figures presented in £000s

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

Item	Note	Forecast 2019-20		Outturn 2019-20	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Total amount payable to the Consolidated Fund	SoAS 4	8,000	<i>8,000</i>	6,335	<i>6,487</i>

The notes on pages 86 to 138 form part of these Accounts.

Notes to the Statement of Assembly Supply 2019-20 - all figures presented in £000s

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation.

SoAS1 Outturn detail by Estimate line

Type of spend	Resource Outturn						Estimate			Outturn vs Estimate (including virements) saving/ (excess)	Prior Year Outturn Total 2018-19
	Admin	Other Current	Grants	Gross Expenditure	Accruing Resources	Net Total	Net Total	Virements*	Net Total incl. virement		
<u>Departmental Expenditure Limit (DEL)</u>											
Forensic Science Northern Ireland	-	14,398	-	14,398	(10,421)	3,977	4,303	-	4,303	326	3,686
Access to Justice Directorate	7,266	2,019	163	9,448	(1,398)	8,050	10,800	-	10,800	2,750	9,893
Compensation Services	-	2,060	-	2,060	(129)	1,931	2,087	-	2,087	156	2,271
Safer Communities Directorate	8,581	10,591	7,859	27,031	(1,831)	25,200	30,265	-	30,265	5,065	22,234
Northern Ireland Prison Service	12,144	104,163	2,296	118,603	(4,246)	114,357	119,630	-	119,630	5,273	106,404
Youth Justice Agency	-	15,447	-	15,447	(122)	15,325	16,235	-	16,235	910	15,184
Northern Ireland Courts and Tribunals Service	6,238	70,653	-	76,891	(32,344)	44,547	45,856	-	45,856	1,309	40,332
Legal Services Agency Northern Ireland	-	9,249	21	9,270	(1,852)	7,418	9,667	-	9,667	2,249	4,278
Total spending in DEL	34,229	228,580	10,339	273,148	(52,343)	220,805	238,843	-	238,843	18,038	204,282
<u>Annually Managed Expenditure (AME)</u>											
Northern Ireland Prison Service	-	9,221	-	9,221	-	9,221	12,860	-	12,860	3,639	3,993
Youth Justice Agency	-	533	-	533	-	533	240	293	533	-	(865)
Access to Justice Directorate	-	799	-	799	-	799	6,242	-	6,242	5,443	(683)
Compensation Services	-	7,156	-	7,156	-	7,156	137,136	-	137,136	129,980	11,341
Northern Ireland Courts and Tribunals Service	-	1,390	-	1,390	-	1,390	440,646	-	440,646	439,256	1,384
Legal Services Agency Northern Ireland	-	99,788	-	99,788	-	99,788	115,815	(655)	115,160	15,372	85,442
Forensic Science Northern Ireland	-	382	-	382	-	382	20	362	382	-	102
Safer Communities Directorate	-	31	-	31	-	31	5,050	-	5,050	5,019	45
Total spending in AME	-	119,300	-	119,300	-	119,300	718,009	-	718,009	598,709	100,759

Type of spend	Resource Outturn						Estimate			Outturn vs Estimate (including virements) saving/ (excess)	Prior Year Outturn Total 2018-19
	Admin	Other Current	Grants	Gross Expenditure	Accruing Resources	Net Total	Net Total	Virements*	Net Total incl. virement		
Non-Budget											
Police Service of Northern Ireland	-	-	794,674	794,674	-	794,674	809,984	-	809,984	15,310	750,794
Police Pensions	-	-	145,626	145,626	-	145,626	148,556	-	148,556	2,930	165,706
Office of the Police Ombudsman for Northern Ireland	-	-	10,357	10,357	-	10,357	10,398	-	10,398	41	8,989
Northern Ireland Policing Board	-	-	6,286	6,286	-	6,286	6,351	-	6,351	65	5,648
Probation Board for Northern Ireland	-	-	20,389	20,389	-	20,389	21,806	-	21,806	1,417	18,727
Criminal Justice Inspection Northern Ireland	-	-	1,124	1,124	-	1,124	1,132	-	1,132	8	1,024
RUC George Cross Foundation	-	-	97	97	-	97	131	-	131	34	131
Northern Ireland Police Fund	-	-	1,471	1,471	-	1,471	1,471	-	1,471	-	1,463
Police Rehabilitation and Retraining Trust	-	-	1,685	1,685	-	1,685	1,811	-	1,811	126	1,565
Notional Charges	9,091	-	-	9,091	-	9,091	14,664	-	14,664	5,573	11,549
Total spending in Non-Budget	9,091	-	981,709	990,800	-	990,800	1,016,304	-	1,016,304	25,504	965,596
Resource Outturn	43,320	347,880	992,048	1,383,248	(52,343)	1,330,905	1,973,156	-	1,973,156	642,251	1,270,637

* Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the *Supply Estimates in Northern Ireland Guidance Manual*, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

The notes on pages 86 to 138 form part of these Accounts.

Explanation of the variation between Estimate and Outturn

The analysis above shows that a saving of £642.251m was made on the Net Resource Outturn compared with the Estimate (after virements). This is made up of a number of elements including:

- Departmental Expenditure Limit (DEL) - saving of £18.038m;
- Annually Managed Expenditure (AME) - saving of £598.709m; and
- Non-budget - saving of £25.504m.

The main reasons for these variances are outlined below.

Spending in Departmental Expenditure Limits

The main reason for the variance in Access to Justice, Safer Communities and Northern Ireland Prison Service is due to surplus ringfenced resource DEL (non-cash) funding that cannot be used in other areas. Easements were offered during the Monitoring Round process but were not required at NI Block level therefore the budget remained within the Department.

The main reasons for the other variances are:

NI Courts and Tribunals Service - underspends in staff and non-staff costs and lower depreciation than forecast, offset slightly by less income than anticipated.

Legal Services NI - lower depreciation costs than forecast combined with an underspend due to the reclassification of bad debt provision to AME.

Spending in Annually Managed Expenditure

The most significant elements of the variance relate to where the Department made provision in the 2019-20 Spring Supplementary Estimates (SSE) for the Schemes below:

- Victims' Payments £105.036m; and
- Historical Institutional Abuse Redress £434.043m.

The 2019-20 SSE included headroom in the event the Department were to assume responsibility for the above Schemes. It is important to note that the Department was not assigned budget. This treatment was at the request of The Executive Office on the advice of DoF. DoF advice is that Estimates should provide sufficient provision to cover activities that might occur, or liabilities or provisions that might be incurred. DoF indicated that affected Departments should include cover for these Schemes as part of the SSE process given the uncertainty at that time. The Department did not become accountable for the Schemes and no budget was assigned, therefore this is not an underspend against budget but the outworking of inclusion of headroom for which no budget was required. No AME expenditure was incurred on these Schemes during the 2019-20 financial year by the Department.

The main reasons for the other variances are:

NI Prison Service - the saving was mainly due to lower provisions than forecast, including staff exit scheme and hearing loss, and the revaluation of buildings being lower than anticipated.

Compensation Services - the saving was mainly due to lower provisions than anticipated for litigation for cost of care and other high value cases.

The notes on pages 86 to 138 form part of these Accounts.

NI Courts and Tribunals Service - the saving was mainly due to lower provisions than anticipated for Fine Default litigation.

Legal Services NI - the saving was mainly due to lower provisions than anticipated for a number of high value cases.

Spending in Non-Budget

Police Service of Northern Ireland - the saving was mainly due an underspend against the working capital forecast included in the Spring Supplementary Estimate.

Police Pensions - the saving was mainly due to higher pension income than forecast.

Probation Board for Northern Ireland - the saving was due to underspends in non ringfenced DEL, grant payments which had been expected to be made in March 2020 not being processed until April 2020 and delays to maintenance works and capital projects as a result of Covid-19.

Notional Charges - the saving was mainly due to lower than anticipated notional costs for IT services provided by DoF shared services.

SoAS2 Reconciliation of Net Resource Outturn to Net Expenditure

Item	Note	Outturn	Estimate	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2018-19
Net Resource Outturn	SoAS 1	1,330,905	1,973,156	642,251	1,270,637
Non-supply expenditure*	6	8,538	8,543	5	8,155
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure		1,339,443	1,981,699	642,256	1,278,792

* Non-supply expenditure comprises costs in respect of Judicial Salaries.

As noted in the introduction to the SoAS above, Outturn and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the Resource Outturn to Net Expenditure, linking the SoAS to the financial statements.

The notes on pages 86 to 138 form part of these Accounts.

SoAS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation.

Item	Note	Outturn	Estimate	Outturn vs Estimate saving/ (excess)
Resource Outturn	SoAS 1	1,330,905	1,973,156	642,251
Capital:				
Acquisition of non-current assets	8, 9	25,022	27,402	2,380
Financial assets		(7)	-	7
Non-operating Accruing Resources:				
Net book value of asset disposals		-	-	-
Net capital		25,015	27,402	2,387
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3	(24,619)	(43,244)	(18,625)
New provisions and adjustments to previous provisions	3	(117,683)	(714,939)	(597,256)
Notional charges	5, 6	(9,091)	(14,664)	(5,573)
Other non-cash items		(2,118)	-	2,118
Movement in working capital		4,306	13,273	8,967
Use of provisions	15, 16	96,746	102,477	5,731
Total accruals to cash adjustment		(52,459)	(657,097)	(604,638)
Net Cash Requirement		1,303,461	1,343,461	40,000

As noted in the introduction to the SoAS above, Outturn and Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the Resource Outturn to the Net Cash Requirement.

The notes on pages 86 to 138 form part of these Accounts.

SoAS 4 Income payable to the Consolidated Fund

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund.

SoAS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Note	Forecast 2019-20		Outturn 2019-20	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income and receipts - excess Accruing Resources	SoAS 5	-	-	-	-
Other operating income and receipts not classified as Accruing Resources		-	-	-	-
Non-operating income and receipts - excess Accruing Resources	SoAS 6	-	-	15	15
Amounts collected on behalf of the Consolidated Fund		8,000	<i>8,000</i>	6,320	<i>6,472</i>
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
Total income payable to the Consolidated Fund		8,000	<i>8,000</i>	6,335	<i>6,487</i>

The notes on pages 86 to 138 form part of these Accounts.

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

Item	Note	Outturn	Prior Year Outturn Total 2018-19
Operating income	7	52,343	50,174
Adjustment for transactions between Requests for Resources		-	-
Gross income		52,343	50,174
Income authorised to be Accruing Resources	SoAS 1	(52,343)	(50,174)
Operating income payable to the Consolidated Fund		-	-

SoAS 6 Non-operating income - Excess Accruing Resources

Item	Note	Outturn	Prior Year Outturn Total 2018-19
Proceeds on disposal of property, plant and equipment		15	8
Non-operating income - excess Accruing Resources	SoAS 4.1	15	8

The notes on pages 86 to 138 form part of these Accounts.

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

Losses and Special Payments

[Audited information]

Losses statement

Core Department and Agencies	2019-20		2018-19	
	Number of cases	£000	Number of cases	£000
Cash losses	6	5	12	1
Claims abandoned	1	10	-	-
Administrative write-offs	150	291	228	245
Fruitless payments	2	1	3	1
Stores losses	2	45	-	-
Total	161	352	243	247

There were no individual losses in either year exceeding £0.250m.

Special payments

Core Department and Agencies	2019-20		2018-19	
	Number of cases	£000	Number of cases	£000 Restated
Compensation payments	1,269	8,884	1,575	14,327
Miscarriages of justice	-	-	-	-
Ex gratia	-	-	1	1
Total	1,269	8,884	1,576	14,328

Compensation payments

During 2019-20, final compensation payments were made in 1,063 cases (2018-19: 1,304) by Compensation Services. The total amount of compensation paid in these cases was £7.258m (2018-19: £13.018m).

Included in the litigation provision in Note 15 are special payments made by the Northern Ireland Prison Service. Amounts utilised during the year included 166 compensation payments (2018-19: 248) totalling £1.108m (2018-19: £1.003m). There were no individual payments exceeding £0.250m in 2019-20 (2018-19: None).

During 2019-20, final compensation payments were made in 39 cases (2018-19: 21 cases) by Northern Ireland Courts and Tribunals Service. The total amount of compensation paid in these cases was £0.518m (2018-19: £0.289m). There were no individual payments in excess of £0.250m during 2019-20.

The notes on pages 86 to 138 form part of these Accounts.

Fraud and error

[Audited information]

The LSA administers legal aid payments on behalf of the Department of Justice. The complexity of the legislation, the degree of discretion and inherent risks associated with adjudication, assessment and payment of bills can result in inaccurate payments being made in a proportion of cases.

Legal aid expenditure therefore may not be applied for the purposes intended by the Assembly or conform to the authorities which govern them due to:

- Official error - where an error can be attributed to the actions or inactions of the Agency;
- Errors made by legal aid claimants and legal practitioners; and
- Fraud.

Estimates of official error within individual sampled legal aid payments are provided by the Standards Assurance Unit, within the Department for Communities, under a Memorandum of Understanding. 2019 was the first full year of measurement of official error for legal aid and has been used to establish a formal baseline rate against which future performance can be measured.

The estimated level of overpayments in legal aid expenditure resulting from official error in 2019-20 is £6.2 million, whilst the estimated level of underpayments is £2.1 million. All overpayments are considered irregular as the expenditure has not been applied in accordance with the purposes intended by the Assembly. Underpayments resulting from official error are not considered to have conformed to the authorities which govern them as the corresponding transactions have not been processed in accordance with the applicable legislation. Therefore this expenditure is considered to be incorrect.

Currently, LSANI does not produce an estimate of the likely scale of overpayments or underpayments made to legal practitioners resulting from fraud and error by claimants or practitioners.

Fees and charges

[Audited information]

An analysis of income from services provided to external and public sector customers is as follows:

Core Department and Agencies	2019-20 £000			2018-19 £000 Restated		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
AccessNI	3,481	(2,322)	1,159	3,658	(2,261)	1,397
NI Courts and Tribunals Service	23,246	(30,483)	(7,237)	22,602	(28,392)	(5,790)
Forensic Science NI	11,066	(15,047)	(3,981)	10,622	(13,979)	(3,357)
Total	37,793	(47,852)	(10,059)	36,882	(44,632)	(7,750)

The above information is provided for fees and charges purposes, and not for IFRS 8 *Operating Segments* purposes.

The notes on pages 86 to 138 form part of these Accounts.

AccessNI

AccessNI commenced operations on 1 April 2008, delivering a criminal history disclosure service for Northern Ireland under powers legislated in Part V of the *Police Act 1997*. The AccessNI Business Model requires the organisation to operate on a Full Cost Recovery Basis in compliance with the requirements set out in *Managing Public Money Northern Ireland*. Volunteers are not charged for AccessNI checks.

Northern Ireland Courts and Tribunals Service (NICTS)

NICTS is committed to achieving full cost recovery for the services it provides in respect of civil court business. The target of full cost recovery takes account of measures in place to protect access to justice, namely the operation of a court fee exemption and remission policy and also the subsidisation of fees in the family and children's arenas. The income for 2019-20 represents 76% of cost recovery (2018-19: 80%). The figures for 2018-19 have been restated to include an additional £0.024m remissions in relation to fees waived by the Office of Care and Protection.

Forensic Science Northern Ireland (FSNI)

Whilst there is a deficit of £3.981 million (2018-19: £3.357 million) on the Statement of Comprehensive Net Expenditure, this is offset by non-cash charges and funding provided by the DoJ.

Remote contingent liabilities

[Audited information]

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Department had no significant remote contingent liabilities during 2019-20 that require disclosure. Note 17 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT



Peter May
Accounting Officer

10 November 2020

The notes on pages 86 to 138 form part of these Accounts

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 Department of Justice for the year ended 31 March 2020 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Assembly Supply, and the related notes, and 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 Department's affairs as at 31 March 2020 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Emphasis of matter

I draw attention to Note 8 of the financial statements, which describes material valuation uncertainties for Land and Buildings due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2020 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

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

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

Conclusions relating to going concern

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

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

Other Information

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

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

Opinion on other matters

In my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**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 Government Resources and Accounts Act (Northern Ireland) 2001.

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

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

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

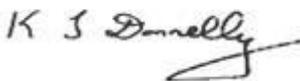
Matters on which I report by exception

I have nothing to report in respect of the following matters which 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
- 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.

Report

I have no observations to make on these financial statements.



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

12 November 2020

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure

For the year ended 31 March 2020

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

	Note	2019-20 £000 Core Department and Agencies	2018-19 £000 *Restated Core Department and Agencies
Revenue from contracts with customers	3	(49,314)	(46,369)
Other operating income	3	(3,029)	(3,805)
Total operating income		(52,343)	(50,174)
Staff costs	3	145,138	131,106
Purchase of goods and services	3	109,735	109,525
Depreciation and impairment charges	3	24,619	23,584
Provisions expense	3	117,683	99,974
Grants	3	992,048	962,776
Total operating expenditure		1,389,223	1,326,965
Net operating expenditure		1,336,880	1,276,791
Finance expense	3	2,563	2,001
Net expenditure for the year		1,339,443	1,278,792
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- net (gain)/loss on revaluation of property, plant and equipment	8	(19,846)	(25,321)
- net (gain)/loss on revaluation of intangibles	9	(240)	(131)
- actuarial (gain)/loss on provisions and pension liability	15, 16	23,611	12,159
Comprehensive net expenditure for the year		1,342,968	1,265,499

* Please refer to Note 1.29 for further details.

The notes on pages 86 to 138 form part of these Accounts.

Consolidated Statement of Financial Position

As at 31 March 2020

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

		2020 £000	2019 £000 *Restated
	Note	Core Department and Agencies	Core Department and Agencies
Non-current assets			
Property, plant and equipment	8	570,879	549,479
Intangible assets	9	15,941	16,299
Trade and other receivables	13	22	1
Financial assets		11	8
Total non-current assets		586,853	565,787
Current assets			
Assets classified as held for sale		60	60
Inventories	11	1,249	1,396
Trade and other receivables	13	11,050	15,110
Financial assets		7	18
Cash and cash equivalents	12	3,625	3,035
Total current assets		15,991	19,619
Total assets		602,844	585,406
Current liabilities			
Trade and other payables	14	(59,443)	(65,440)
Provisions	15	(100,032)	(92,402)
Pension liabilities	16	(47)	(45)
Total current liabilities		(159,522)	(157,887)
Total assets less current liabilities		443,322	427,519
Non-current liabilities			
Provisions	15	(177,628)	(139,425)
Pension liabilities	16	(1,329)	(1,180)
Other payables	14	(10,738)	(12,313)
Total non-current liabilities		(189,695)	(152,918)
Total assets less total liabilities		253,627	274,601
Taxpayers' equity and other reserves			
General Fund		16,073	48,265
Revaluation Reserve		237,554	226,336
Total equity		253,627	274,601

* Please refer to Note 1.29 for further details.



Peter May
Accounting Officer

10 November 2020

The notes on pages 86 to 138 form part of these Accounts.

Consolidated Statement of Cash Flow

For the year ended 31 March 2020

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

		2019-20 £000	2018-19 £000 *Restated
	Note	Core Department and Agencies	Core Department and Agencies
Cash flows from operating activities			
Net expenditure for the year		(1,339,443)	(1,278,792)
Adjustment for non-cash transactions	4	153,511	136,385
(Increase)/decrease in trade and other receivables	13	4,039	6,805
<i>Movement in receivables relating to items not passing through the SCNE</i>		(4,853)	(8,350)
(Increase)/decrease in inventories	11	147	(404)
Increase/(decrease) in trade and other payables	14	(3,111)	6,201
<i>Movement in payables relating to items not passing through the SCNE</i>		5,579	(7,766)
Use of provisions	15, 16	(97,081)	(106,734)
Net cash outflow from operating activities		(1,281,212)	(1,252,655)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,491)	(28,588)
Purchase of intangible assets		(2,153)	(3,889)
Proceeds of disposal of property, plant and equipment		15	8
Proceeds of disposal of assets held for sale		-	1,527
Loans to and repayments from Other Bodies		7	17
Net cash outflow from investing activities		(29,622)	(30,925)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		1,304,124	1,272,111
From the Consolidated Fund (Supply) - prior year		4,371	11,835
From the Consolidated Fund (non-Supply)		8,873	8,500
Capital element of payments in respect of 'on-balance sheet' (SoFP) PPP/PFI contracts		(1,485)	(1,395)
Net financing		1,315,883	1,291,051
Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		5,049	7,471
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		6,472	5,676
Payments of amounts due to the Consolidated Fund		(6,470)	(8,420)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		5,051	4,727
Cash and cash equivalents at the beginning of the period	12	(4,025)	(8,752)
Cash and cash equivalents at the end of the period	12	1,026	(4,025)

* Please refer to Note 1.29 for further details.

The notes on pages 86 to 138 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2020

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

	Note	General Fund £000 *Restated	Revaluation Reserve £000 *Restated	Taxpayers' Equity £000 *Restated
Balance at 31 March 2018		33,572	210,005	243,577
Net Assembly Funding - drawn down		1,283,946	-	1,283,946
Net Assembly Funding - deemed		(11,835)	-	(11,835)
Consolidated Fund Standing Services		8,500	-	8,500
Supply receivable adjustment	13	4,371	-	4,371
Excess Accruing Resources	14	(8)	-	(8)
Comprehensive net expenditure for the year		(1,290,951)	25,452	(1,265,499)
Auditor's remuneration	5, 6	330	-	330
Other notionals		11,219	-	11,219
Minister's remuneration		-	-	-
Transfer between reserves		9,121	(9,121)	-
Balance at 31 March 2019		48,265	226,336	274,601
Net Assembly Funding - drawn down		1,308,495	-	1,308,495
Net Assembly Funding - deemed		(4,371)	-	(4,371)
Consolidated Fund Standing Services		8,873	-	8,873
Supply (payable) adjustment	14	(663)	-	(663)
Excess Accruing Resources	14	(15)	-	(15)
Comprehensive net expenditure for the year		(1,363,054)	20,086	(1,342,968)
Auditor's remuneration	5, 6	361	-	361
Other notionals	5, 6	8,720	-	8,720
Minister's remuneration		10	-	10
Movement in reserves:				
Transfer between reserves		8,868	(8,868)	-
Other	8	584	-	584
Balance at 31 March 2020		16,073	237,554	253,627

* Please refer to Note 1.29 for further details.

The notes on pages 86 to 138 form part of these Accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2018-19 *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 Department of Justice for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

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

1.1 Accounting convention

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

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

1.2 Basis of consolidation

These Accounts comprise a consolidation of the non-agency parts of the Department (the Core Department) and those entities which fall within the Departmental boundary as defined in the *FReM*, interpreted for Northern Ireland. Transactions between entities included in the consolidation are eliminated.

A list of the entities within the Departmental boundary is given at Note 23.

1.3 Property, plant and equipment

Property, plant and equipment comprises land, buildings, vehicles, plant and machinery, information technology and assets under construction.

The Department of Justice occupies a number of properties within the Northern Ireland Executive Estate. These are managed by DoF. The costs of occupancy of such properties are recovered on a notional basis from the Department of Justice by DoF. Terms of occupancy of these buildings are outlined in an agreement known as the 'Memorandum of Terms of Occupancy'.

Consolidation of asset categories

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

- plant and machinery;
- motor vehicles;
- furniture and fittings;
- office equipment;
- security equipment; and
- antiques.

1.4 Valuation of property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is capitalised. Within the Core Department the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment. In compliance with IAS 16 *Property, Plant and Equipment*, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

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

All property, plant and equipment are carried at fair value. Professional valuations of land and buildings are carried out independently by Land and Property Services (LPS) within the Department of Finance. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Institute of Revenues Rating and Valuation and the Incorporated Society of Valuers and Auctioneers. Land and buildings are restated to current value using professional valuations, in accordance with IAS 16, every five years and in the intervening years by the use of indices provided by LPS, specific to the Northern Ireland property sector.

In addition, a number of properties owned by the Department have been valued by LPS for the purposes of these Accounts. Properties regarded as operational are valued on the basis of existing use, unless there is no market for the property or they are deemed to be specialised, in which case they are valued on a depreciated replacement cost basis.

NIPS has considered the impact of analysing property, plant and equipment assets into identifiable components with different useful lives and accounting for them separately. NIPS has componentised new buildings and significant enhancements to existing buildings and added them to the property, plant and equipment register from 1 April 2010 analysed between building structure, engineering systems, equipment and security installations and external works.

FSNI has depreciated separately identified components of its buildings assets according to the useful life of that component, with individual lives applied to each component.

Antiques held by NICTS are included in the furniture and fittings classification and are professionally valued every five years. The valuation was carried out at 31 March 2019 by John Ross & Co.

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

1.5 Intangible assets

Expenditure on case management systems including supplier design and implementation costs and internal project team staff salary costs, has been capitalised and classified as an intangible asset. Expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

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

1.6 Depreciation and amortisation

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

Asset category	Useful Life
Land	No depreciation
Buildings (including temporary buildings)	10 - 80 years
Vehicles, plant and machinery	2 - 40 years
Information technology	1 - 16 years
Assets under construction	No depreciation
Intangible assets (software and licences)	1 - 15 years

1.7 Realised element of depreciation from Revaluation Reserve

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

1.8 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered through sale rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed within one year from the date of classification.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation is not charged once an asset has been classified as held for sale.

1.9 Inventories

Inventories shown on the Statement of Financial Position relate to essential inventories held by the Northern Ireland Prison Service and Forensic Science Northern Ireland. These are valued at the lower of cost or net realisable value. Inventories which are deemed consumable are written off in the year of purchase. In addition, Forensic Science Northern Ireland holds exhibits on behalf of a third-party but the exhibits are not included in the financial statements of either the Agency or the Department.

Assets seized by the Enforcement of Judgments Office (within Northern Ireland Courts and Tribunals Service) are not included in inventories on the basis that they are not owned by the Department, but are held for resale in settlement of third-party creditors. Third-party assets held by the Enforcement of Judgments Office at the year end are disclosed in Note 22.

1.10 Value Added Tax (VAT)

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

1.11 Leases

Operating leases

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

Finance leases

Leases of property, plant and equipment where the Department holds substantially all the risks and rewards of ownership are classified as finance leases.

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.

1.12 Public Private Partnership (PPP)/Public Finance Initiatives (PFI) transactions

Where the balance of control of the PPP/PFI scheme is borne by the Department, the scheme is recognised as a non-current asset and the liability to pay for it is accounted for as a finance lease, in accordance with IFRIC 12 *Service Concession Arrangements*. Contract payments are apportioned between an imputed finance lease charge and a service charge. The services received under the contract are recorded as operating expenses. Further details of current ongoing agreements are shown in Note 19 to the Accounts.

1.13 Provisions

Provision is made for legal or constructive obligations, which are of uncertain timing or amount at the reporting date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the general provision discount rates as set out by HM Treasury which varies by the term of the liability, as shown in the table below:

Rate	Term	Nominal Rate
Short-term	Up to 5 years	0.51%
Medium-term	5 to 10 years	0.55%
Long-term	Over 10 years	1.99%

1.14 Contingent liabilities

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Department discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the Department's control, unless their likelihood is considered to be remote.

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

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

1.15 Third-party assets

Third-party assets are assets for which the Department acts as custodian or trustee, but in which neither the Department nor Government more generally has a direct beneficial interest. Third-party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Departments third-party assets are provided in Note 22.

1.16 Administration and programme analysis

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs under the administrative cost control regime set by the Department of Finance. Broadly, administration expenditure reflects the costs of running the Department while programme costs relate directly to service delivery activities.

For the purposes of these financial statements, income and expenditure relating to Forensic Science Northern Ireland, Legal Services Agency Northern Ireland and Youth Justice Agency is regarded as programme whilst Northern Ireland Prison Service and Northern Ireland Courts and Tribunals Service are regarded as both administrative and programme.

1.17 Income recognition

The Department recognises income as follows:

Financing

The Department is primarily resourced by funds approved by the Assembly through the annual Supply process. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. In addition, the Department is financed by non-supply funding from the Northern Ireland Consolidated Fund in respect of the costs relating to Judicial Salaries.

Revenue from contracts with customers

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

Fees, levies and charges

This principally comprises fees and charges for services provided on a full cost basis to external customers as well as public repayment work. Further details are contained in Note 2 Statement of Operating Expenditure by Operating Segment.

Revenue from fees, levies and charges is recognised over time as the services are rendered based on either a fixed price or an agreed rate.

Sale of goods and services

Revenue from the sale of goods is recognised either:

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

Other operating income

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

Rental income

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

Other income

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

Consolidated Fund Extra Receipts (CFERs)

CFERs which do not fall to be treated as operating income are payable directly to the Consolidated Fund. These amounts comprise sundry receipts which have not been incorporated into the Estimate due to their irregular nature and/or uncertainty of receipt. Fines income received by Northern Ireland Courts and Tribunals Service is not treated as Accruing Resources for the purposes of these Accounts. All fine income is payable to the Northern Ireland Consolidated Fund via the Department as consolidated fund extra receipts.

1.18 Staff costs

Under IAS 19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date. The cost of untaken leave has been determined from a sample of staff leave records.

1.19 Pension costs

Past and present employees of the Department are covered by the provisions of the NICS pension arrangements, which are defined benefit schemes. The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, the Department recognises the contributions payable for the year.

The Department is responsible for the Broadly By Analogy (BBA) pension schemes of public appointments within its Departmental boundary and also entities for which it retains lead policy responsibility. A BBA pension arrangement entitles the recipient to benefits similar to the classic schemes in the NICS pension arrangements. The Department and members are obliged to make contributions in line with the NICS pension scheme. Provision has been made for the future cost of benefits under these schemes.

Further details regarding the above schemes are contained in the Staff Report and Note 16 to the Accounts.

1.20 Early departure costs

The Department and its Agencies are required to meet the additional cost of benefits beyond the normal NICS pension arrangements and NILGOSC benefits in respect of employees who retire early by paying the required amounts annually to the NICS pension arrangements and NILGOSC over the period between early departure and normal retirement age, and in some cases for the lifetime of the retired staff member and his/her spouse. The Department and its Agencies provide for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

1.21 Grants payable and paid

The Department recognises grants due to its executive Non-Departmental Public Bodies in the period in which they are paid.

The Department also makes a number of grants to a variety of public sector, private sector and voluntary bodies. These grants are recognised at the point in which an authorised request is received from the recipient body, in accordance with the relevant financial memoranda.

1.22 Notional charges

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

1.23 Segmental reporting

Under the requirements of IFRS 8 *Operating Segments*, the Department 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 Operating Decision Maker. As total assets for segments are not regularly reported to the Chief Operating Decision Maker the Department has adopted this option. This does not have a material impact on the Department's financial statements. Full details of the reporting segments are contained within Note 2.

1.24 Financial instruments

Recognition and de-recognition of financial assets and financial liabilities

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when the Department becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Department no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets

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

Loans and receivables

Loans and receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, with changes in carrying value recognised in the Statement of Comprehensive Net Expenditure in a manner which most appropriately reflects the nature of the item or transaction.

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and 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

The Department 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.

The Department 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.

Financial liabilities***Trade and other payables***

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest method.

Loans and other borrowings

Loans and other borrowings are initially recognised at fair value plus directly attributable transactions costs. Where loans and other borrowings contain a separable embedded derivative, the fair value of the embedded derivative is the difference between the fair value of the hybrid instrument and the fair value of the loan or borrowing. The fair value of the embedded derivative and the loan or borrowing is recorded separately on initial recognition.

1.25 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 Department's accounting policies. The Department continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

(i) - Provisions for legal aid

The determination of provisions remains a key area where management's judgement is required. There are a number of key assumptions applied in the calculation of the provisions which are detailed below:

- **average costs** - based on an analysis of historical payment values and volumes, a series of average costs within defined bands are calculated by category within each business area. This series of averages is then applied to the certificate volume provided in line with the latest historical payment profile;
- **no bills adjustments** - this specifically relates to Civil legal aid certificates and cases that are concluded with a Direct Authority designation. These are cases where the legally aided party wins the case and their legal costs are met by the non-legally aided party and not by the legal aid fund. An analysis of historical data determines a percentage reduction covering the expected incidence of Direct Authority cases which is then incorporated in the provisions calculations; and
- **lifecycle of certificates** - an analysis of the reports authorised for payment, aged to the certificate granted date to determine a lifecycle per certificate within each business area of the LSA.

Further details regarding Provisions are provided in Note 15.2.

(ii) - Provisions for compensation payments made by Compensation Services

Provisions have been made for compensation which will be payable at a future date. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

(iii) - Pension and other post-retirement benefits

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

(iv) - Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation is provided in the consolidated 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.

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

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

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

Review of Financial Process:

Standard	Comments
<p>IFRS 10 - <i>Consolidated Financial Statements</i></p> <p>IFRS 11 - <i>Joint Arrangements</i></p> <p>IFRS 12 - <i>Disclosure of Interests in Other Entities</i></p>	<p>The International Accounting Standards Board (IASB) issued new and amended Standards (IFRS 10, IFRS 11 and IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These Standards were effective with EU adoption from 1 January 2014.</p> <p>Accounting boundaries for IFRS purposes are currently adapted in the <i>FReM</i> so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by HM Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards.</p>

1.27 Accounting standards, interpretations and amendments to published Standards not yet effective

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

Standard	IFRS 16 <i>Leases</i> (replaces IAS 17 <i>Leases and related interpretations</i>)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2021-22
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</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 <i>Financial Instruments</i>, 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 <i>Leases</i> replaces IAS 17 <i>Leases</i> and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.</p> <p>The Department has undertaken a preliminary assessment of the potential impact of IFRS 16 on its future financial statements. It is currently considered that approximately £5m of leases will be capitalised on the Statement of Financial Position in 2021-22 and it is not expected to have a material impact on the Statement of Comprehensive Net Expenditure.</p>

1.28 Financial reporting - future developments

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

1.29 Prior year restatements

Some 2018-19 figures have been restated to reflect changes made to account categories 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 administration and programme expenditure, as well as minor adjustments to rounded figures used.

(i) - the Statement of Comprehensive Net Expenditure has been restated as follows:

	2018-19 Published Accounts £000	Reclassifi- cation £000	2018-19 Restated £000
Revenue from contracts with customers	(46,369)	-	(46,369)
Other operating income	(3,805)	-	(3,805)
Total operating income	(50,174)	-	(50,174)
Staff costs	131,108	(2)	131,106
Purchase of goods and services	109,518	7	109,525
Depreciation and impairment charges	23,585	(1)	23,584
Provisions expense	101,117	(1,143)	99,974
Grants	962,775	1	962,776
Total operating expenditure	1,328,103	(1,138)	1,326,965
Net operating expenditure	1,277,929	(1,138)	1,276,791
Finance expense	863	1,138	2,001
Net expenditure for the year	1,278,792	-	1,278,792
Other comprehensive net expenditure	(13,287)	(6)	(13,293)
Comprehensive net expenditure for the year	1,265,505	(6)	1,265,499

(ii) - the Statement of Financial Position has been restated as follows:

At 31 March 2019	2018-19 Published Accounts £000	Reclassifi- cation £000	2018-19 Restated £000
Non-current assets			
Property, plant and equipment	549,476	3	549,479
Intangible assets	16,299	-	16,299
Trade and other receivables	1	-	1
Financial assets	6	2	8
Total non-current assets	565,782	5	565,787
Current assets			
Assets classified as held for sale	60	-	60
Inventories	1,396	-	1,396
Trade and other receivables	15,110	-	15,110
Financial assets	19	(1)	18
Cash and cash equivalents	3,035	-	3,035
Total current assets	19,620	(1)	19,619
Total assets	585,402	4	585,406
Current liabilities			
Cash and cash equivalents	(7,060)	7,060	-
Trade and other payables	(58,380)	(7,060)	(65,440)
Provisions	(92,449)	47	(92,402)
Pension liabilities	-	(45)	(45)
Total current liabilities	(157,889)	2	(157,887)
Total assets less current liabilities	427,513	6	427,519
Non-current liabilities			
Provisions	(140,603)	1,178	(139,425)
Pension liabilities	-	(1,180)	(1,180)
Other payables	(12,313)	-	(12,313)
Total non-current liabilities	(152,916)	(2)	(152,918)
Total assets less total liabilities	274,597	4	274,601
Taxpayers' equity and other reserves			
General Fund	48,266	(1)	48,265
Revaluation Reserve	226,331	5	226,336
Total equity	274,597	4	274,601

2. Statement of Operating Expenditure by Operating Segment

The following operating segments are reported to the Departmental Board and Strategic Resources Committee for financial management purposes:

- Safer Communities Directorate;
- Access to Justice Directorate;
- Reducing Offending Directorate; and
- Justice Delivery Directorate.

The segmental analysis below includes an elimination of £1.102m (2018-19: £1.094m) in respect of intra-Departmental income and £2.131m (2018-19: £2.008m) in respect of intra-Departmental expenditure transactions occurring between bodies within the Departmental boundary for accounts purposes.

					2019-20 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Gross expenditure	1,017,124	94,178	141,329	139,155	1,391,786
Income	(10,855)	(32,344)	(2,970)	(6,174)	(52,343)
Net expenditure	1,006,269	61,834	138,359	132,981	1,339,443

					2018-19 £000
	Safer Communities Directorate	*Restated Access to Justice Directorate	Reducing Offending Directorate	*Restated Justice Delivery Directorate	Core Department and Agencies
Gross expenditure	985,909	87,230	127,811	128,016	1,328,966
Income	(10,318)	(30,077)	(2,706)	(7,073)	(50,174)
Net expenditure	975,591	57,153	125,105	120,943	1,278,792

* 2018-19 Net expenditure has been restated following the transfer of business functions from Access to Justice Directorate to Justice Delivery Directorate on 1 April 2019.

2. Statement of Operating Expenditure by Operating Segment (continued)

Description of segments

(i) - Safer Communities Directorate is responsible for the lead interface with PSNI and for work on Community Safety.

Financial information relating to the following Agency and NDPBs is reported within this segment:

- Forensic Science Northern Ireland;
- Northern Ireland Police Fund;
- Northern Ireland Policing Board;
- Office of the Police Ombudsman for Northern Ireland;
- Police Rehabilitation and Retraining Trust;
- Police Service of Northern Ireland;
- Probation Board for Northern Ireland; and
- RUC George Cross Foundation.

(ii) - Access to Justice Directorate is responsible for criminal justice policy and legislation, and improving access to justice through design of the court and tribunal structures and reform of the legal aid system.

Financial information relating to the following Agency and NDPB is reported within this segment:

- Northern Ireland Courts and Tribunals Service; and
- Criminal Justice Inspection Northern Ireland.

(iii) - Reducing Offending Directorate is responsible for the oversight of the Prison Service, responsible for the management of offenders in custody and the reform and operation of prisons across Northern Ireland, and the Youth Justice Agency. It also leads the development of Reducing Offending policy in the Department.

Financial information relating to the following Agencies is reported within this segment:

- Northern Ireland Prison Service; and
- Youth Justice Agency.

(iv) - Justice Delivery Directorate provides Finance, HR, IT and other central services to the Department. Financial information relating to AccessNI and Compensation Services for victims of crime is included in this segment.

Financial information relating to the following Agency is reported within this segment:

- Legal Services Agency Northern Ireland.

2.1 Reconciliation between Operating Segments and Consolidated Statement of Comprehensive Net Expenditure

	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	2019-20 £000 Core Department and Agencies
Total net expenditure reported for Operating Segments	1,006,269	61,834	138,359	132,981	1,339,443
Reconciling items	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	1,006,269	61,834	138,359	132,981	1,339,443

	Safer Communities Directorate	*Restated Access to Justice Directorate	Reducing Offending Directorate	*Restated Justice Delivery Directorate	2018-19 £000 Core Department and Agencies
Total net expenditure reported for Operating Segments	975,591	57,153	125,105	120,943	1,278,792
Reconciling items	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	975,591	57,153	125,105	120,943	1,278,792

* 2018-19 Net expenditure has been restated following the transfer of business functions from Access to Justice Directorate to Justice Delivery Directorate on 1 April 2019.

2.2 Reconciliation between Operating Segments and Consolidated Statement of Financial Position

'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the Chief Operating Decision Maker. As total assets for segments are not regularly reported to the Chief Operating Decision Maker, the Department has adopted this option. This does not have a material impact on the Department's financial statements.

3. Summary of operating income and expenditure

		2019-20 £000		
		Core Department and Agencies		
	Note	Administration	Programme	and Agencies
Revenue from contracts with customers	7	(349)	(48,965)	(49,314)
Other operating income	7	(467)	(2,562)	(3,029)
Total operating income		(816)	(51,527)	(52,343)
Staff costs	5, 6	25,604	119,534	145,138
Purchase of goods and services	5, 6	14,390	95,345	109,735
Depreciation and impairment charges	5, 6	1,444	23,175	24,619
Provisions expense	6	-	117,683	117,683
Grants	6	-	992,048	992,048
Total operating expenditure		41,438	1,347,785	1,389,223
Net operating expenditure		40,622	1,296,258	1,336,880
Finance expense	5, 6	-	2,563	2,563
Net expenditure for the year		40,622	1,298,821	1,339,443

		2018-19 £000 Restated		
		Core Department and Agencies		
	Note	Administration	Programme	and Agencies
Revenue from contracts with customers	7	(350)	(46,019)	(46,369)
Other operating income	7	(455)	(3,350)	(3,805)
Total operating income		(805)	(49,369)	(50,174)
Staff costs	5, 6	22,879	108,227	131,106
Purchase of goods and services	5, 6	16,274	93,251	109,525
Depreciation and impairment charges	5, 6	1,517	22,067	23,584
Provisions expense	6	-	99,974	99,974
Grants	6	-	962,776	962,776
Total operating expenditure		40,670	1,286,295	1,326,965
Net operating expenditure		39,865	1,236,926	1,276,791
Finance expense	5, 6	-	2,001	2,001
Net expenditure for the year		39,865	1,238,927	1,278,792

4. Non-cash costs

				2019-20 £000
	Note	Administration	Programme	Core Department and Agencies
Minister's remuneration		10	-	10
Purchase of goods and services	5, 6	7,200	2,227	9,427
Depreciation and impairment charges	5, 6	1,444	23,175	24,619
Provisions expense	6	-	117,683	117,683
Pension provision in staff costs	6	-	-	-
Finance expense	6	-	1,772	1,772
Notional income		-	-	-
Total		8,654	144,857	153,511

				2018-19 £000
	Note	Restated Administration	Restated Programme	Restated Core Department and Agencies
Minister's remuneration		-	-	-
Purchase of goods and services	5, 6	9,207	3,491	12,698
Depreciation and impairment charges	5, 6	1,517	22,067	23,584
Provisions expense	6	-	99,974	99,974
Pension provision in staff costs	6	-	(1,008)	(1,008)
Finance expense	6	-	1,139	1,139
Notional income		-	(2)	(2)
Total		10,724	125,661	136,385

5. Other administration expenditure

		2019-20 £000	2018-19 £000 Restated
	Core Department and Agencies	Core Department and Agencies	Core Department and Agencies
	Note		
Staff costs*			
Wages and salaries		18,278	17,111
Social security costs		1,958	1,860
Other pension costs		5,368	3,908
		25,604	22,879
Purchase of goods and services			
Accommodation costs, maintenance and utilities		560	403
IT, communications and office services		1,225	1,088
Consumables, equipment and transport costs		127	18
Contracted out and managed services		3,046	3,603
Professional and consultancy services		985	883
Rentals under operating leases		174	174
Staff related costs		911	803
Other costs		150	72
Commissions, Panels and Tribunals costs		12	23
		7,190	7,067
Non-cash items:			
Loss on disposal of non-current assets	8, 9	1	2
Auditor's remuneration and expenses		237	212
Notional charges		6,962	8,993
		7,200	9,207
		14,390	16,274
Depreciation and impairment charges			
Depreciation	8	892	763
Amortisation	9	553	753
Revaluation released to SCNE	8, 9	(1)	1
		1,444	1,517
Finance expense			
		-	-
Total administration expenditure		41,438	40,670

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

6. Programme expenditure

		2019-20 £000	2018-19 £000 Restated
	Note	Core Department and Agencies	Core Department and Agencies
Staff costs*			
Wages and salaries		87,753	83,939
Social security costs		8,858	8,524
Other pension costs		22,923	16,772
Pension provision		-	(1,008)
		119,534	108,227
Purchase of goods and services			
Accommodation costs, maintenance and utilities		17,256	16,453
IT, communications and office services		3,996	4,510
Consumables, equipment and transport costs		2,952	2,695
Contracted out and managed services		10,968	11,607
Professional and consultancy services		5,289	6,291
Client and other programme operating costs		16,336	15,083
Rentals under operating leases		1,467	1,429
Staff related costs		2,497	2,241
Other costs		1,021	297
Commissions, Panels and Tribunals costs		11,178	10,970
PFI service charges		2,515	3,015
Judicial costs		9,105	7,014
Judicial costs - Consolidated Fund		8,538	8,155
		93,118	89,760
Non-cash items:			
Loss on disposal of non-current assets	8, 9	15	2
Auditor's remuneration and expenses		124	118
Notional charges		1,758	2,226
Other non-cash items		330	1,145
		2,227	3,491
		95,345	93,251
Depreciation and impairment charges			
Depreciation	8	21,260	20,377
Amortisation	9	2,250	2,005
Revaluation released to SCNE	8, 9	(335)	(315)
		23,175	22,067
Provisions expense			
Provided in year	15	121,619	116,307
Written back in year	15	(3,936)	(16,333)
		117,683	99,974
Grants			
Grant-in-aid to NDPBs		981,709	954,047
Other grants		10,339	8,729
		992,048	962,776
Finance expense			
Interest payable and similar charges		792	859
Borrowing costs on provisions	15	1,736	1,110
Pension liability interest charges	16	35	32
		2,563	2,001
Total programme expenditure		1,350,348	1,288,296

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

7. Income

	2019-20 £000	2018-19 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
<u>Administration income</u>		
Revenue from contracts with customers		
Fees, levies and charges	68	75
Sales of goods and services	281	275
	<u>349</u>	<u>350</u>
Other operating income		
Seconded costs	347	324
Rental income	117	123
Other non-trading income	3	8
	<u>467</u>	<u>455</u>
Administration income	<u>816</u>	<u>805</u>
<u>Programme income</u>		
Revenue from contracts with customers		
Fees, levies and charges	46,140	43,417
Sales of goods and services	2,825	2,602
	<u>48,965</u>	<u>46,019</u>
Other operating income		
Rental income	529	579
Other non-trading income	2,013	2,770
Grant income	20	1
	<u>2,562</u>	<u>3,350</u>
Programme income	<u>51,527</u>	<u>49,369</u>
Total operating income	<u>52,343</u>	<u>50,174</u>

7. Income (continued)

Disaggregation of Revenue from contracts with customers per operating segment is as follows:

					2019-20 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Fees, levies and charges	10,820	31,907	-	3,481	46,208
Sales of goods and services	35	-	2,824	247	3,106
Revenue from contracts with customers	10,855	31,907	2,824	3,728	49,314

					2018-19 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Fees, levies and charges	10,283	29,554	-	3,655	43,492
Sales of goods and services	34	-	2,602	241	2,877
Revenue from contracts with customers	10,317	29,554	2,602	3,896	46,369

8. Property, plant and equipment

	2019-20 £000					
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Core Department and Agencies
Cost or valuation						
At 1 April 2019	42,080	468,465	39,838	10,775	55,785	616,943
Opening balance adjustment*	-	478	29	100	-	607
Additions	-	951	3,095	2,257	16,361	22,664
Disposals	-	(15)	(1,086)	(2,680)	-	(3,781)
Reclassification	-	50,411	1,739	(10)	(52,141)	(1)
Revaluation released to SCNE	-	589	1	-	-	590
Revaluation	-	21,164	395	28	-	21,587
At 31 March 2020	42,080	542,043	44,011	10,470	20,005	658,609
Depreciation						
At 1 April 2019	-	35,678	23,664	8,122	-	67,464
Opening balance adjustment*	-	21	-	2	-	23
Charged in year	-	19,162	2,352	638	-	22,152
Disposals	-	(15)	(1,077)	(2,664)	-	(3,756)
Reclassification	-	(2)	(1)	2	-	(1)
Revaluation released to SCNE	-	106	1	-	-	107
Revaluation	-	1,563	153	25	-	1,741
At 31 March 2020	-	56,513	25,092	6,125	-	87,730
Carrying amount at 31 March 2020	42,080	485,530	18,919	4,345	20,005	570,879
Carrying amount at 31 March 2019	42,080	432,787	16,174	2,653	55,785	549,479
Asset financing:						
Owned	42,080	443,167	18,919	4,345	20,005	528,516
PPP/PFI contracts	-	42,363	-	-	-	42,363
Carrying amount at 31 March 2020	42,080	485,530	18,919	4,345	20,005	570,879
Of the total:						
Core Department	825	7,062	504	146	1,001	9,538
Agencies	41,255	478,468	18,415	4,199	19,004	561,341
Carrying amount at 31 March 2020	42,080	485,530	18,919	4,345	20,005	570,879

* The opening balance adjustment relates to a prior period adjustment in the financial statements of NI Courts and Tribunals Service which is not sufficiently material to adjust the prior period in financial statements.

As a result of Covid-19, LPS considers that, as at 31 March 2020, it can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuations this year are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to them than would normally be the case.

8. Property, plant and equipment (continued)

	Restated		Restated	Restated	Restated	2018-19 £000 Restated
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Core Department and Agencies
Cost or valuation						
At 1 April 2018	36,041	473,886	37,008	9,619	27,367	583,921
Additions	-	1,678	3,863	1,584	33,146	40,271
Disposals	-	(155)	(723)	(391)	-	(1,269)
Reclassification	-	4,658	(83)	(23)	(4,728)	(176)
Revaluation released to SCNE	137	198	4	-	-	339
Revaluation	5,902	(11,800)	(231)	(14)	-	(6,143)
At 31 March 2019	42,080	468,465	39,838	10,775	55,785	616,943
Depreciation						
At 1 April 2018	-	48,202	23,511	7,679	-	79,392
Charged in year	-	18,159	2,075	906	-	21,140
Disposals	-	(155)	(716)	(387)	-	(1,258)
Reclassification	-	-	(151)	(52)	-	(203)
Revaluation released to SCNE	-	(149)	1	-	-	(148)
Revaluation	-	(30,379)	(1,056)	(24)	-	(31,459)
At 31 March 2019	-	35,678	23,664	8,122	-	67,464
Carrying amount at 31 March 2019	42,080	432,787	16,174	2,653	55,785	549,479
Carrying amount at 31 March 2018	36,041	425,684	13,497	1,940	27,367	504,529
Asset financing:						
Owned	42,080	390,773	16,174	2,653	55,785	507,465
PPP/PFI contracts	-	42,014	-	-	-	42,014
Carrying amount at 31 March 2019	42,080	432,787	16,174	2,653	55,785	549,479
Of the total:						
Core Department	825	6,976	496	152	-	8,449
Agencies	41,255	425,811	15,678	2,501	55,785	541,030
Carrying amount at 31 March 2019	42,080	432,787	16,174	2,653	55,785	549,479

8. Property, plant and equipment (continued)

Notes:

- (i) Core Department - land and buildings were externally valued by the Land and Property Services (LPS) at 1 April 2016 in accordance with the RICS Appraisal and Valuation Manual on the basis of existing use value, market value and depreciated replacement cost as appropriate to the individual assets. The next valuation of LPS will be effective from 1 April 2021. Indexation is applied between asset revaluations to update the asset register, taking into account the general market in land and property values and building costs.
- (ii) Forensic Science Northern Ireland - a full valuation of land and buildings was carried out by LPS at 31 December 2018 in accordance with the RICS Appraisal and Valuation Manual. The valuation was on a depreciated replacement cost basis.
- (iii) Northern Ireland Courts and Tribunals Service - land and buildings were valued as at 31 March 2019 by LPS. The valuation was carried out by LPS in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. All Buildings are valued on a depreciated replacement cost basis with the exception of two Courthouses that were revalued at market value, due to their non-operational status, one of which is classified as held for sale. Antiques have been included in the Furniture and Fittings classification and are professionally valued every five years. The valuation was carried out at 31 March 2019 by John Ross & Co.
- (iv) Northern Ireland Prison Service - a full valuation of land and buildings was carried out by LPS at 1 April 2016 in accordance with the RICS Appraisal and Valuation Manual and on a componentised basis. The next full valuation of land and buildings will be 1 April 2021.
- (v) Youth Justice Agency - a full valuation of land and buildings was carried out by LPS at 31 March 2019 in accordance with the RICS Appraisal and Valuation Manual. LPS valued the land and building at Juvenile Justice Centre at 31 March 2019 at depreciated replacement cost using Building Cost Information Service indices.
- (vi) Other property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

9. Intangible assets

	2019-20		
	£000		
	Software and Licences	Assets Under Construction	Core Department and Agencies
Cost or valuation			
At 1 April 2019	44,407	8,157	52,564
Additions	745	1,613	2,358
Disposals	(4,826)	-	(4,826)
Reclassification	8,816	(8,816)	-
Revaluation released to SCNE	(147)	-	(147)
Revaluation	351	-	351
At 31 March 2020	49,346	954	50,300
Amortisation			
At 1 April 2019	36,265	-	36,265
Charged in year	2,803	-	2,803
Disposals	(4,820)	-	(4,820)
Reclassification	-	-	-
Revaluation released to SCNE	-	-	-
Revaluation	111	-	111
At 31 March 2020	34,359	-	34,359
Carrying amount at 31 March 2020	14,987	954	15,941
Carrying amount at 31 March 2019	8,142	8,157	16,299
Asset financing:			
Owned	14,987	954	15,941
Carrying amount at 31 March 2020	14,987	954	15,941
Of the total:			
Core Department	1,592	-	1,592
Agencies	13,395	954	14,349
Carrying amount at 31 March 2020	14,987	954	15,941

9. Intangible assets (continued)

	2018-19 £000		
	Software and Licences	Assets Under Construction	Core Department and Agencies
Cost or valuation			
At 1 April 2018	42,851	5,915	48,766
Additions	1,113	2,737	3,850
Disposals	(259)	-	(259)
Reclassification	456	(495)	(39)
Revaluation released to SCNE	-	-	-
Revaluation	246	-	246
At 31 March 2019	44,407	8,157	52,564
Amortisation			
At 1 April 2018	33,663	-	33,663
Charged in year	2,758	-	2,758
Disposals	(258)	-	(258)
Reclassification	(13)	-	(13)
Revaluation released to SCNE	-	-	-
Revaluation	115	-	115
At 31 March 2019	36,265	-	36,265
Carrying amount at 31 March 2019	8,142	8,157	16,299
Carrying amount at 31 March 2018	9,188	5,915	15,103
Asset financing:			
Owned	8,142	8,157	16,299
Carrying amount at 31 March 2019	8,142	8,157	16,299
Of the total:			
	Restated		Restated
Core Department	2,175	-	2,175
Agencies	5,967	8,157	14,124
Carrying amount at 31 March 2019	8,142	8,157	16,299

10. Financial instruments

10.1 Disclosures

Due to the non-trading nature of its activities and the way in which Government departments are financed, the Department of Justice is not exposed to the degree of financial risk faced by business entities. The Department has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the Department in undertaking its activities.

Classification of financial instruments

All Departmental financial instruments are measured at amortised cost. The Department's financial assets are classified as loans and receivables and comprise trade and other receivables (Note 13), cash and cash equivalents (Note 12) and financial assets. The Department's financial liabilities comprise payables excluding tax assets, accruals and deferred income (Note 14). The carrying value of these financial assets and liabilities, as disclosed in the notes to the Accounts, approximates to fair value because of their short maturities. The Department recognises the components of net gain/loss through the Statement of Comprehensive Net Expenditure. Interest on financial instruments is recognised as a finance expense under Programme Costs in Note 6.

Risk Management

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department is exposed to credit risk in relation to the carrying amounts of the trade receivables carried in the Statement of Financial Position. The size of the risk is reflected in the receivables impairment (Note 13.1).

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. The Department's net revenue resource requirements are financed by resources voted annually by the Assembly, as is capital expenditure. The Department is therefore not exposed to significant liquidity risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Department is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Department does not have the authority to manage currency risk through hedging.

Embedded derivatives

In accordance with IFRS 9 *Financial Instruments*, the Department reviews contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Laganside PFI contract for NICTS, there is a payment mechanism that determines the charge that NICTS will pay from 2009 to 2026 which is based on the UK Retail Price Index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment in which NICTS operates.

Northern Ireland Prison Service Housing Loans

In accordance with IFRS 9 balances in respect of Northern Ireland Prison Service (NIPS) Home Loans are stated in the statement of financial position at their amortised cost, being the carrying amount discounted to present value at the effective rate of interest of 3.7%. They have not been affected by current credit risk as repayments are deducted directly from payroll and are not considered a significant medium or long-term risk to NIPS.

10.2 Financial guarantees, indemnities and letters of comfort

The Department has not entered into any unquantifiable guarantees, indemnities or provided letters of comfort. There are no contingent liabilities within the meaning of IFRS 9 since the likelihood of a transfer of economic benefit in settlement is too remote.

The Department has not entered into any quantifiable guarantees, indemnities or provided letters of comfort that fall to be measured under IFRS 9.

11. Inventories

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Core Department and Agencies
Raw materials and consumables	952	1,083
Fuel	297	313
Total	1,249	1,396

12. Cash and cash equivalents

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Core Department and Agencies
Balance at 1 April	(4,025)	(8,752)
Net change in cash and cash equivalent balances	5,051	4,727
Balance at 31 March	1,026	(4,025)

The following balances at 31 March are held at:

Commercial banks and cash in hand	1,026	(4,025)
Balance at 31 March	1,026	(4,025)

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

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Core Department and Agencies
Current assets	3,625	3,035
Current liabilities	(2,599)	(7,060)
Total	1,026	(4,025)

13. Trade receivables, financial and other assets

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Core Department and Agencies
Amounts falling due within one year:		
VAT recoverable	1,597	1,895
Trade receivables	2,248	2,380
Other receivables	949	1,581
Prepayments and accrued income	6,256	4,883
Amounts due from the Consolidated Fund in respect of supply	-	4,371
	11,050	15,110
Amounts falling due after more than one year:		
Other receivables	22	1
	22	1
Total	11,072	15,111

Included within 'Other receivables' is £351,230 (2018-19: £502,505) that will be due to the Consolidated Fund once the debts are collected.

13.1 Impairment

Trade receivables are stated net of the following impairment:

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Restated Core Department and Agencies
Balance at 1 April	8,130	6,993
Increase in impairment during the year	1,272	1,875
Impairment written back during the year	(942)	(738)
Balance at 31 March	8,460	8,130

14. Trade payables, financial and other liabilities

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Restated Core Department and Agencies
Amounts falling due within one year:		
Bank overdraft	2,599	7,060
Trade payables	452	2,104
Other payables	1,373	1,742
Accruals and deferred income	52,067	52,200
Current part of imputed finance lease element of 'on-balance sheet' (SoFP)	1,575	1,485
PPP/PFI contracts		
Amounts due the Consolidated Fund in respect of supply	663	-
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:		
Received	348	338
Receivable	351	503
Excess accruing resources	15	8
	59,443	65,440
Amounts falling due after more than one year:		
Imputed finance lease element of 'on-balance sheet' (SoFP)	10,738	12,313
PPP/PFI contracts		
	10,738	12,313
Total	70,181	77,753

Included within 'Consolidated Fund Extra Receipts to be paid to the Consolidated Fund: Received' is £293,046 (2018-19: £263,612) held on trust on behalf of the Consolidated Fund in respect of fines and other income collected by Northern Ireland Courts and Tribunals Service. Further details about the Northern Ireland Courts and Tribunals Service Trust Statement can be found at www.justice-ni.gov.uk/courts-and-tribunals.

15. Provisions for liabilities and charges

	2019-20 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Balance at 1 April (restated)	135,732	62,938	22,741	10,416	231,827
Provided in the year	95,521	2,484	10,799	12,815	121,619
Provisions not required written back/ re-measurement of opening balance	3,185	(735)	(3,642)	(2,744)	(3,936)
Provisions utilised in the year	(82,084)	(4,189)	(8,517)	(1,910)	(96,700)
Borrowing costs	-	1,736	-	-	1,736
Actuarial loss/(gain)	-	23,449	-	-	23,449
Provisions settled from Consolidated Fund	-	(335)	-	-	(335)
Balance at 31 March	152,354	85,348	21,381	18,577	277,660

	2018-19 £000				
	Restated Legal Aid	Restated Early Departure Costs	Restated Compen- sation Payments	Restated Litigation Claims	Restated Core Department and Agencies
Balance at 1 April	135,665	52,761	25,611	10,785	224,822
Provided in the year	90,734	2,508	19,091	3,974	116,307
Provisions not required written back/ re-measurement of opening balance	(6,438)	(64)	(7,750)	(2,081)	(16,333)
Provisions utilised in the year	(84,229)	(5,216)	(14,211)	(2,262)	(105,918)
Borrowing costs	-	1,110	-	-	1,110
Actuarial loss/(gain)	-	12,184	-	-	12,184
Provisions settled from Consolidated Fund	-	(345)	-	-	(345)
Balance at 31 March	135,732	62,938	22,741	10,416	231,827

15. Provisions for liabilities and charges (continued)

15.1 Analysis of expected timing of discounted flows

	2019-20 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Due within one year	78,431	5,093	12,667	3,841	100,032
Due later than one year and not later than five years	64,704	9,750	8,714	14,001	97,169
Due later than five years	9,219	70,505	-	735	80,459
Balance at 31 March	152,354	85,348	21,381	18,577	277,660

	2018-19 £000				
	Restated Legal Aid	Restated Early Departure Costs	Restated Compen- sation Payments	Restated Litigation Claims	Restated Core Department and Agencies
Due within one year	69,931	5,887	12,669	3,915	92,402
Due later than one year and not later than five years	57,598	8,304	10,072	6,501	82,475
Due later than five years	8,203	48,747	-	-	56,950
Balance at 31 March	135,732	62,938	22,741	10,416	231,827

15.2 Legal aid - £152.354m (2017-18: £135.732m)

The payment of civil legal services and criminal legal aid is determined by when solicitors or counsel submit their final bill after a case has concluded. The timing of each submission is outside the direct control of LSA, but every effort is made to encourage legal representatives to submit their bills as expeditiously as possible.

How the figures are derived

The Agency estimates the value of unbilled 'live' cases each year to arrive at the amounts disclosed as a provision within the financial statements. 'Live' cases are deemed to be those that are ongoing, based on the information available to the Agency, and within the statutory time limits. A provisions model is used to estimate the volume of cases and costs required to settle any obligations at the end of the reporting period.

Volumes

The Agency's new Legal Aid Management System (LAMS) came into operation on 1 July 2019. A feature of this new case management system includes the potential for auto-closure functionality, which closes cases when a set of predefined conditions have been satisfied. This functionality was not implemented at the time of go-live and remained outstanding at the end of the 2019-20 reporting period. As a result, a significant number of cases remained open on LAMS at 31 March 2020, which should have been closed. A number of assumptions therefore had to be applied to the volume of cases held on LAMS to more accurately reflect the number of 'live' cases to be provided for. The provisions liability for 2019-20 reflects the adjusted volume of 'live' cases within the system at the reporting date.

Usage of the auto-close functionality has commenced from 8 August 2020 and will help clarify the population of 'live' cases against which a provision is required in future years

Costs

There are two categories of costs applied to the volume of 'live' cases in LAMS at the end of the reporting period in order to calculate an estimate cost of the provision:

i. cases costed at an average cost

The provisions model extracts a volume of 'live' cases from LAMS per primary nature/matter and applies an average cost to each case to determine a provision value. The average costs applied to the volume were derived by reviewing the payments of all full and additional reports by business area and forecast category over a period of 39 months (1 April 2016 to 30 June 2019).

ii. cases costed where an average cost is not applicable

The majority of legal aid provisions are estimated using LAMS volumes and average costs, however other case types have been separately reviewed. There are three categories of cases which require segregation for review as the average cost methodology above is not applicable:

- **Exceptional Funding (previously known as Statutory Exceptional Grant Payment Scheme)** - the Agency's Authorisations and Decisions Team record and continuously monitor a list of Exceptional Funding cases. Each case is separately reviewed and costed by the Agency;
- **Exceptionality** - the Agency's Authorisations and Decisions Team record and continuously monitor a list of Exceptionality criminal cases. Each case is separately reviewed and costed by the Agency; and

- **Court of Appeal** - the Taxing Master provides a list of the cases currently held along with the associated claimed and assessed value. This is reviewed by the Agency and the liability is calculated using the information provided.

Judgements made by management

The determination of provisions remains a key area where management's judgement is required. There are a number of key assumptions applied in the calculation of the provisions which are detailed below:

- **average costs** - based on an analysis of historical payment values and volumes, a series of average costs within defined bands are calculated by category within each business area. This series of averages is then applied to the certificate volume provided in line with the latest historical payment profile;
- **no bills adjustments** - this specifically relates to Civil legal aid certificates and cases that are concluded with a Direct Authority designation. These are cases where the legally aided party wins the case and their legal costs are met by the non-legally aided party and not by the legal aid fund. An analysis of historical data determines a percentage reduction covering the expected incidence of Direct Authority cases which is then incorporated in the provisions calculations; and
- **lifecycle of certificates** - an analysis of the reports authorised for payment, aged to the certificate granted date to determine a lifecycle per certificate within each business area of the LSA.

Uncertainties

The Agency introduced the new LAMS case management system on 1 July 2019. A phased approach was taken when introducing the system, which resulted in key functionality such as auto-closure and inactivity prompts not being activated within the financial reporting period. This resulted in cases not being closed on the system, which had an impact on the volume of 'live' cases the system was reporting. A number of assumptions therefore had to be applied to refine the volume figure. Whilst business intelligence and latest data available were the key drivers behind the assumptions applied, a best estimate of 'live' cases has been made.

It is not possible in this financial year to include LAMS payment data in the computation of the average cost until the auto-closure functionality is operational. Only when a case has been closed on the system can the full cost of the case be assessed for the purposes of generating an average cost. The latest payment data available, spanning a three and a half year period, has been used to generate the average costs.

The introduction of LAMS and new reporting software has refined the provision calculation methodology. Usage of the auto-close functionality commenced from 8 August 2020 and will enhance the process of identifying active cases against which a provision is required. It also represents a more accurate reflection of business activity compared to the approach used in previous years. It is anticipated that with the activation of auto-closure and further development of system reporting, the accuracy of the provision estimation technique will continue to further improve.

Only a small proportion of provisions will be paid more than five years after the reporting date and given the underlying uncertainties and assumptions already applied to volumes and costs, the Agency has not discounted future cash flows disclosed in the financial statements.

Legacy inquest liabilities have been revised following the commencement of the Legacy Inquest Project, and each case is individually monitored to determine the future costs. The costs and timings of the cash flows are projected in consideration of anticipated court case progression and historical payments, and as such there is a level of uncertainty which is continually monitored. The 2019-20 provision includes £8.4m for 45 legacy inquest cases (2018-19: £1.4m for 42 cases).

15.3 Early departure costs - £85.348m (2018-19: £62.938m)**(i) - NICS and NILGOSC costs - £1.886m (2018-19: £1.817m)**

The Department and its Agencies meet the additional costs of benefits beyond the normal NICS pension arrangements and NILGOSC benefits in respect of employees who retire early by paying the required amounts annually to the NICS pension arrangements and NILGOSC over the period between early departure and normal retirement date, and in some cases for the lifetime of the retired staff member and his/her spouse. The Department and its Agencies provide for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

(ii) - Northern Ireland Prison Service - injury on duty awards - £76.560m (2018-19: £52.820m)

From 1 April 2006 all benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to the Northern Ireland Prison Service (NIPS) are charged to NIPS by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards, and also on estimated life expectancy of these pensioners.

The injury awards were valued under IAS 19 by the Government Actuary's Department (GAD). IAS 19 requires the employer to value the expected injury awards for active members, who may become injured in the future, and include the value in the Accounts. Following a review of the information available to NIPS, the assumptions underpinning the actuarial valuation of the liability were revised as follows:

- rate of future injury award - increased from 1% to 3.5%; and
- current service cost - increased from 2% to 6%.

These changes reflect the latest position in 2020 compared to 2015 information previously used to calculate the liability. As a result of these changes to the assumptions, the liability in the 2019-20 Accounts for the Department includes an increased current service cost of £0.7m and additional actuarial losses of £8.3m. These changes have been accounted for as a prior period adjustment by NIPS due to the lower level of materiality applicable to its financial statements.

The financial statements are being prepared at a time when the UK is in the midst of dealing with the Covid-19 pandemic. As outlined in the Report prepared by GAD, it is too early to speculate on any potential long-term effects of the pandemic on future economic/salary growth, mortality rates or financial assumptions underpinning the injury on duty liability as at 31 March 2020. At this stage, the full impact of the Covid-19 pandemic is not known and will remain uncertain until further evidence is available. No adjustments have been applied to the GAD analysis to reflect these risks.

(iii) - Northern Ireland Prison Service - Voluntary Early Retirement (VER) Scheme - £1.214m (2018-19: £3.105m)

This provision relates to the early retirement payments arising in respect of employees who leave under the VER Scheme. The provision consists of additional pension costs due to the NICS pension arrangements, which the Northern Ireland Prison Service provides for when the VER becomes binding by establishing a provision for the estimated payments. These costs are payable over the period between early departure and normal retirement date for the respective employees. The provision runs through to 2021-22.

(iv) - Judicial Service Awards (JSA) - £5.688m (2018-19: £5.196m)

Provision has been made for a JSA entitlement for salaried and eligible fee paid judicial office holders who are members of a JPS. The JSA was created to equalise the tax position of judicial pensions affected by the provisions of the *Finance Act 2004*. Following a ruling by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, a provision has been recognised in the NICTS Accounts in respect of JSA liabilities relating to fee paid judges.

The provision has been estimated by GAD and takes into account the number of reckonable years served and an estimate of the projected final salaries of existing members. The result has then been discounted to present value using the rates set by HM Treasury. The net service award that members receive is the same as the tax paid on the lump sum and is itself an employee benefit that is subject to income tax and national insurance. The liability for the service award is grossed-up for the income tax (at an assumed marginal rate) and additional employers NI is then payable by NICTS on the service awards. The provision includes estimated amounts due to Judiciary funded by both NICTS and the Consolidated Fund.

In January 2017, an Employment Tribunal ruled that a group of judges had been subject to age discrimination when they were transferred to the new career average Judicial Pension Schemes (JPS 2015 and NIJPS) in April 2015. MoJ subsequently appealed this ruling, but this was rejected, with the Court of Appeal upholding the ruling that the protections afforded to a Judge up to 14 years from normal pension age were unlawful. MoJ has lodged an application seeking leave to appeal to the Supreme Court. A provision has been created in the pension accounts of JPS 2015 and NIJPS. NICTS may be impacted in relation to future JSAs, as any increase in future benefits payable may increase the value of future lump sums and in turn, the value of JSA payable. GAD have provided an estimate of £1.687m in respect of additional JSAs that might be payable as a result of the litigation ruling if it is not successfully appealed.

15.4 Compensation payments - £21.381m (2018-19: £22.741m)

The Core Department provides for future obligations arising from all claims for compensation held at the reporting date by the Compensation Services. All such claims will either be allowed or denied (including abandoned/withdrawn claims). Estimates are made of the likely ratio of allowances to denials and also estimates of the potential average value of each allowed claim. The total expected future liability is then calculated for each of the compensation schemes operated.

15.5 Provision for litigation claims - £18.577m (2018-19: £10.416m)**(i) - Legal claims - £11.200m (2018-19: £10.416m)**

The litigation provision relates to claims against the Department and its Agencies by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provision reflects all known claims where it is considered that it is probable that the claim will be successful and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

(ii) - Court of Appeal judgment on backdated holiday pay - £7.377m (2018-19 £Nil)

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. Due to delays in relation to the Covid-19 situation, it is expected that this will not be heard until 2021 but could result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The Holiday Pay provision includes an estimate provided by NIPS for operational prison grades for the period from 1998 to 31 March 2020 of £5.800m (2018-19: £Nil). The provision also includes an estimate provided by NICS HR for administrative staff for the same period of £1.577m (2018-19: £Nil). An adjustment has been included by the Department in respect of the period prior to on-boarding of administrative staff to HR Connect which is not covered in the NICS HR estimate.

There are some very significant elements of uncertainty around this estimate for a number of reasons:

- the appeal to the Supreme Court (as detailed above);
- lack of accessible data for years previous to 2011 and for some groups of staff beyond 2011;
- uncertainty around eligibility;
- ongoing negotiations with Trade Unions;
- a reliable estimate for the pension element is not yet available so this has not been factored into the provision; and

The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions. Taxation issues are still under discussion with HMRC so the position is subject to change.

16. Pension liabilities

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Restated Core Department and Agencies
Balance at 1 April	1,225	2,697
Provided in the year	-	-
Provisions not required written back	-	(1,008)
Provisions utilised in the year	(46)	(471)
Borrowing costs	35	32
Actuarial loss/(gain)	162	(25)
Balance at 31 March	1,376	1,225

16.1 Analysis of expected timing of discounted flows

	2019-20 £000	2018-19 £000
	Core Department and Agencies	Core Department and Agencies
Due within one year	47	45
Due later than one year and not later than five years	186	182
Due later than five years	1,143	998
Balance at 31 March	1,376	1,225

16.2 Broadly By Analogy pension schemes - £1.376m (2018-19: £1.225m)

The Department is responsible for the BBA pension schemes of public appointments within its Departmental boundary and also entities for which it retains lead policy responsibility. A BBA pension arrangement entitles the recipient to benefits similar to the classic scheme in the NICS pension arrangements. The Department and members are obliged to make contributions in line with the NICS pension arrangements and the Department is responsible for paying accrued benefits.

The BBA pension provision is unfunded, with benefits being paid as they fall due and guaranteed by the Department for service provided. There is no fund, and therefore no surplus or deficit. The scheme liabilities at 31 March 2020 were £1.376m (31 March 2019: £1.225m) as per the actuarial valuation.

Present value of scheme liabilities	2019-20 £000	2018-19 £000	2017-18 £000
Current pensioners	1,376	1,225	1,263
Total	1,376	1,225	1,263

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

Assumptions	2019-20 %	2018-19 %	2017-18 %
Discount rate	1.80	2.90	2.55
Future increase in CPI	2.35	2.60	2.45
Discount rate (net of CPI)	(0.5)	0.29	0.1
Future rate of pension increases in payment	2.35	2.60	2.45
Salary growth	4.35	4.60	4.45

Assumptions - Life expectancy at Retirement

Current Pensioners	2019-20 Years	2018-19 Years	2017-18 Years
Exact Age:			
Male officers currently aged 65	24.2	24.2	24.2
Female officers currently aged 65	26.4	26.4	26.4
Male officers currently aged 45	26.4	26.4	26.4
Female officers currently aged 45	29.0	29.0	29.0

Analysis of movement in scheme liability

	2019-20 £000	2018-19 £000
At 1 April	1,225	1,263
Benefits paid	(46)	(45)
Interest cost	35	32
Actuarial (gain)/loss	162	(25)
Closing value of liability	1,376	1,225

Expense to be recognised in the Statement of Comprehensive Net Expenditure

	2019-20 £000	2018-19 £000
Service cost	-	-
Interest cost	35	32
Total expense/(income)	35	32

16.2 Broadly By Analogy pension schemes - £1.376m (2018-19: £1.225m) (continued)

Actuarial (gain)/loss to be recognised in the Statement of Changes in Taxpayers' Equity	2019-20 £000	2018-19 £000
Changes in financial assumptions	159	(37)
Experience losses/(gains)	3	12
Total actuarial(gain)/loss	162	(25)

History of experience (gains)/losses	2019-20	2018-19	2017-18	2016-17	2015-16
Experience (gain)/loss arising on the scheme liabilities:					
Amount (£000)	3	12	56	(18)	9
Percentage of scheme liabilities at the end of year	0.2%	1.0%	4.4%	(1.5%)	0.9%

The remaining members of the BBA scheme are current pensioners and therefore there are no future contributions payable to the scheme.

Sensitivity Analysis

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

The sensitivity of the liabilities to these assumptions is as follows:

Assumption	Change in assumption	Increase/(Decrease) in liabilities
Discount rate	Increase by 0.1%	(£22,000)
	Decrease by 0.1%	£22,000
CPI inflation	Increase by 0.1%	£21,000
	Decrease by 0.1%	(£22,000)
Life expectancy	Increase by 1 year	£41,000

Covid-19

The financial statements are being prepared at a time when the UK is in the midst of dealing with the Covid-19 pandemic. It is too early to speculate on any potential long-term effects of the pandemic on future economic/salary growth, mortality rates or financial assumptions underpinning the pension liability as at 31 March 2020. At this stage, the full impact of the Covid-19 pandemic is not known and will remain uncertain until further evidence is available. No adjustments have been applied to the analysis to reflect these risks.

17. Contingent liabilities

The Department has the following contingent liabilities with settlement dates unknown in all cases:

(i) - Judicial Review on Fine Enforcement within NICTS

NICTS Operational Policy Branch Fine Default Claims Team has processed a total of 930 claims, relating to the previous Divisional Court decision in 2013 that the enforcement of unpaid fines and other monetary penalties in Northern Ireland was unlawful. From this, 59 offers of settlement have been issued. The majority of claims were rejected as they fell outside the one year limitation period pursuant to section 7(5) of the *Human Rights Act 1998*. At the time of producing the accounts, a total of 172 writs and civil bills have been issued challenging NICTS' decision to refuse compensation.

The statutory limitation time point was tested in May 2018, May 2019 and September 2019. All three Civil Bills were struck out with no order as to costs. The first legal challenge seeking an extension to the one year limitation period was to be heard in the High Court in May 2020. This has been adjourned and is listed for late November 2020. A number of ongoing County Court cases have been adjourned pending the outcome of the High Court case.

Further to this, in 2018-19 leave was sought to judicially review the decision to imprison fine defaulters under the interim arrangements that were put in place following the 2013 Divisional Court decision. Submissions were lodged in May 2020 and the Court has now confirmed its view that the case should be listed before the Divisional Court and not be heard as a judicial review. A date for hearing has not yet been fixed. If any of these were to succeed, there may be financial implications in the future for NICTS and the Department. As yet these are unquantifiable.

(ii) - Fee paid judicial office holders' pension rights and other non-pension entitlements within NICTS

There is continuing litigation regarding the pension liability for fee paid judges. Following the judgment of the Court of Justice of the European Union (CJEU) in December 2018, it has been determined that additional pension benefits are payable to eligible fee paid judges in respect of service incurred prior to the date (7 April 2000) that the Part-Time Worker Directive should have been transposed into domestic law. MoJ have made provisions for the potential liabilities arising from this case, which includes increased JSA and the requirement to make payments in lieu of pension and associated interest charges. NICTS does not have any increased liability from the December 2018 ruling as these additional liabilities are pre-devolution.

Following a legal challenge, MoJ has conceded that the current policies for sitting in retirement (where a judge may retire and draw a pension from their salaried office, and then sit in a fee paid office), do not apply equally to fee paid judges. MoJ are consulting on changes to rectify this. There is potential for affected judges to bring compensation claims in respect of this.

There are also a number of other legal claims in relation to discrimination between fee paid and salaried judges, which may give rise to further pay and pension claims. NICTS is currently unable to estimate the extent of the potential liability.

17. Contingent liabilities (continued)***(iii) - Discount rate for compensation claimants***

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case to take account of the return that can be earned from investment. Currently the rate in Northern Ireland is 2.5% and it has to be set in accordance with principles set out by the House of Lords in *Wells v Wells*. However, following a recent consultation exercise, the Department of Justice intends to seek Executive approval to bring forward legislation to the Assembly as soon as possible to change the legal framework for setting the discount rate. Subject to the legislative process, the rate would then be reviewed under the new framework and there would be a corresponding impact on the level of provisions for Compensation payments disclosed in Note 15.

(iv) Supplier contracts, employment, personnel and legal cases outstanding against the Department

These claims have not been provided for in the Department's financial statements as they are considered unlikely to be successful.

18. Leases

18.1 Operating leases

£1.641m (2018:19: £1.603m) was included as an expense on operating leases in the Statement of Comprehensive Net Expenditure.

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

	2019-20 £000	2018-19 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Obligations under operating leases comprise:		
<i>Land and buildings</i>		
Due within one year	1,549	1,647
Due later than one year and not later than five years	2,700	4,061
Due later than five years	-	23
	<u>4,249</u>	<u>5,731</u>
<i>Photocopiers and vehicles:</i>		
Due within one year	-	1
Due later than one year and not later than five years	-	-
Due later than five years	-	-
	<u>-</u>	<u>1</u>
Total	<u>4,249</u>	<u>5,732</u>

18.2 Finance leases

The Department has no obligations under finance leases other than the PPP/PFI commitments contained in Note 19.

19. Commitments under PPP/PFI contracts

19.1 On-Balance Sheet (SoFP)

The following PPP/PFI transactions have been accounted for in accordance with IFRIC 12 *Service Concession Arrangements* as being 'on-balance sheet'.

Northern Ireland Courts and Tribunals Service (NICTS) - Lagside Complex

In February 1999, NICTS entered into a Public Finance Initiative (PFI) agreement with a private sector provider for the provision and maintenance of a high quality court complex in Belfast. In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the Statement of Comprehensive Net Expenditure. The court complex has been accounted for as an asset and included in the Accounts as Property, plant and equipment.

The liabilities to pay for the assets are in substance finance lease obligations and therefore contractual payments comprise two elements - imputed finance lease charges and service charges.

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of 'on-balance sheet' (SoFP) transactions was £2.515m (2018-19: £3.015m). Total future obligations under 'on-balance sheet' arrangements are given in the table below for each of the following periods:

	2019-20	2018-19
	£000	£000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Minimum lease payments:		
Due within one year	2,182	2,182
Due later than one year and not later than five years	8,728	8,728
Due later than five years	3,755	5,937
	<u>14,665</u>	<u>16,847</u>
Less interest element	(2,352)	(3,049)
Present value of obligations	<u>12,313</u>	<u>13,798</u>
Service elements due in future periods:		
Due within one year	1,385	1,640
Due later than one year and not later than five years	5,641	6,738
Due later than five years	2,476	4,758
Total service elements due in future periods	<u>9,502</u>	<u>13,136</u>
Total commitments	<u>21,815</u>	<u>26,934</u>

20. Capital and other commitments

20.1 Capital commitments

	2019-20 £000	2018-19 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	6,941	8,252
Intangible assets	722	1,256
Total	<u>7,663</u>	<u>9,508</u>

20.2 Other financial commitments

The payments to which the Department and Agencies are committed are as follows:

	2019-20 £000	2018-19 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Due within one year	3,304	2,473
Due later than one year and not later than five years	2,331	2,417
Due later than five years	423	846
Total	<u>6,058</u>	<u>5,736</u>

Causeway is a strategically important IT system which supports the operation of the criminal justice system in Northern Ireland by sharing information electronically between the five main criminal justice organisations. The new Causeway IT contract was awarded in November 2017 to Fujitsu Services for an initial seven year term from 1 April 2019 for the delivery and enhancement of the Causeway messaging system, with the Department of Finance Enterprise Shared Services providing and supporting the Causeway infrastructure. The new Causeway services commenced in March 2019 following a 16 month implementation phase.

The Youth Justice Agency has entered into non-cancellable contracts (which are not leases or PFI contracts) for reception, security duties and planned maintenance at the Juvenile Justice Centre, service fees relating to its leasehold properties, and funding payable to certain voluntary and community sector organisations for the delivery of programmes and initiatives.

21. Related party transactions

The Department of Justice consists of the following Executive Agencies in addition to the Core Department:

- Forensic Science Northern Ireland;
- Legal Services Agency Northern Ireland;
- Northern Ireland Courts and Tribunals Service;
- Northern Ireland Prison Service; and
- Youth Justice Agency.

The Department of Justice is also the parent Department of a number of entities. During the year the Department had a number of material transactions with the following entities which, for financial reporting purposes, are regarded as related parties:

Executive Non-Departmental Public Bodies:

- Criminal Justice Inspection Northern Ireland;
- Northern Ireland Police Fund;
- Northern Ireland Policing Board;
- Office of the Police Ombudsman for Northern Ireland;
- Police Rehabilitation and Retraining Trust;
- Police Service of Northern Ireland;
- Probation Board for Northern Ireland; and
- RUC George Cross Foundation.

In addition, the Department had various material transactions with other Government departments and other central government bodies. Most of these transactions have been with the Department of Finance.

The former Director of Access to Justice was a Visiting Professor in Regulatory Reform and Law, at the Ulster Business School which is part of the Ulster University.

Details of related party transactions for staff members working in Agencies within the Departmental boundary are separately disclosed in the individual annual report and accounts of each Agency.

22. Third-party assets

The Department holds as custodian or trustee monies belonging to third parties, over and above those monies disclosed in Note 12 Cash and cash equivalents.

Compensation Services

Bank balances for minors under the *Criminal Injuries Compensation (Northern Ireland) Order 2002* are held until the minors attain the age of 18. These balances attract compound interest at variable rates that are dependent on the outstanding balance.

Legal Services Agency Northern Ireland (LSANI)

Awards for damages to funded clients may be required by LSANI to offset any liability to the Legal Aid Fund. LSANI places these funds on deposit in separate individual client bank accounts until the liability to the Fund, if any, is determined. Any remaining balance of the damages awarded is refunded once the liability to the Fund has been settled. The amounts retained to cover any shortfall to the Fund are recorded in income as 'Damages retained'.

Northern Ireland Prison Service

All prisoners have a private account (Prisoners' Private Cash - PPC) into which prison earnings and cash received from visits or through the post are lodged. These accounts are also used by prisoners to fund all purchases from the prison tuckshop. When prisoners are finally discharged they are paid the full balance of their PPC account. Each prison establishment also administers a Prisoners' Amenities Fund. Payments from the fund are used for the welfare/benefit of all prisoners. Fund receipts include income from the sale of tuck shop items, phone credits and donations.

Northern Ireland Courts and Tribunals Service (NICTS)

NICTS provides a banking and investment service, through the Court Funds Office, for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

There are third party bank accounts maintained by the various court offices and Official Solicitor's Office. These are not NICTS assets and are not included in the accounts. The assets held at the reporting date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. Further details are set out in the table below.

The Court Funds Office prepares separate annual reports and accounts that are audited by the Comptroller and Auditor General.

Youth Justice Agency

Young people in custody have a private cash facility for the lodgement of their pocket money and funding of tuckshop purchases. When the young people are discharged they are paid in full the balance on their account. Where a youth conference plan requires a young person to compensate a victim, the money is collected by the Agency and also held in a separate bank account until it is paid over to the victim.

22. Third-party assets (continued)**Assets held**

The monies noted above are not departmental assets and not included in the Accounts. The assets held at 31 March to which it was practical to ascribe monetary values are set out in the table below and comprise monetary assets such as bank balances, monies on deposit and listed securities.

Core Department and Agencies	31 March 2019 £000	Gross Inflows £000	Gross Outflows £000	31 March 2020 £000
Monetary assets such as bank balances and monies on deposit	112,101	210,405	(217,680)	104,826
Listed securities	195,274	143,390	(139,942)	198,722
Total	307,375	353,795	(357,622)	303,548

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property assets. Title deeds for property may also be held by NICTS as security for bails in relation to legal actions. The Enforcement of Judgments Office provides a centralised enforcement service for civil court judgments. A number of cases result in property repossessions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

Core Department and Agencies	2019-20 Number of cases	2018-19 Number of cases
Property assets	1,465	1,587

23. Entities within the Departmental boundary

The entities within the boundary during 2019-20 were as follows:

Executive Agencies:

- Forensic Science Northern Ireland;
- Legal Services Agency Northern Ireland;
- Northern Ireland Courts and Tribunals Service;
- Northern Ireland Prison Service; and
- Youth Justice Agency.

The annual reports and accounts of these Executive Agencies are published separately.

Other entities:

- Care Tribunal;
- Charity Tribunal;
- Commissioner for Hearings under Prison Rule 109B;
- Criminal Injuries Compensation Appeals Panel Northern Ireland;
- Health and Personal Social Services Disqualification Tribunal;
- Independent Assessor of PSNI Recruitment Vetting;
- Independent Monitoring Boards;
- Lands Tribunal;
- Mental Health Review Tribunal;
- Northern Ireland Health and Safety Tribunal;
- Northern Ireland Traffic Penalty Tribunal;
- Northern Ireland Valuation Tribunal;
- Parole Commissioners;
- Pensions Appeal Tribunal;
- Planning Appeals Commission;
- Prisoner Ombudsman;
- Social Security and Child Support Commissioners;
- Special Educational Needs and Disability Tribunal;
- State Pathologist; and
- Water Appeals Commission.

24. Events after the reporting period

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

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

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

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 12 November 2020.

ACRONYMS

Acronym	Details
ALBs	Arm's Length Bodies
AMB	Asset Management Board
AME	Annually Managed Expenditure
BBA	Broadly By Analogy
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CETV	Cash Equivalent Transfer Value
CPD	Construction and Procurement Delivery
DAERA	Department of Agriculture, Environment and Rural Affairs
DARC	Departmental Audit and Risk Committee
DEL	Departmental Expenditure Limit
DHR	Domestic Homicide Review
DoF	Department of Finance
DoJ	Department of Justice
EM	Electronic Monitoring
FReM	Financial Reporting Manual
FSNI	Forensic Science Northern Ireland
GAD	Government Actuary's Department
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
HSENI	Health and Safety Executive for Northern Ireland
IAO	Information Asset Owner
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICO	Information Commissioner's Office
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IIP	Investors in People
IROC	Information Risk Owners' Council
JPS	Judicial Pension Scheme
JSA	Judicial Service Awards
LAMS	Legal Aid Management System
LSANI	Legal Services Agency Northern Ireland
LPS	Land and Property Services
MoJ	Ministry of Justice
NDPB	Non-Departmental Public Body
NIAO	Northern Ireland Audit Office
NICF	Northern Ireland Consolidated Fund
NICS	Northern Ireland Civil Service
NICSHR	Northern Ireland Civil Service Human Resources
NICTS	Northern Ireland Courts and Tribunals Service
NIHRC	Northern Ireland Human Rights Commission
NILGOSC	Northern Ireland Local Government Officers' Superannuation Committee
NIO	Northern Ireland Office
NIPS	Northern Ireland Prison Service
ODP	Outcomes Delivery Plan
ONS	Office for National Statistics
PAC	Public Accounts Committee
PfG	Programme for Government
PFI	Public Finance Initiatives
PPC	Prisoners' Private Cash
PPP	Public Private Partnership
PSNI	Police Service of Northern Ireland

ACRONYMS (continued)

Acronym	Details
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
SCNE	Statement of Comprehensive Net Expenditure
SCS	Senior Civil Service
SLA	Service Level Agreement
SoAS	Statement of Assembly Supply
SoFP	Statement of Financial Position
SPAR	Supporting People At Risk
TRO	Terrorist Related Offender
VAT	Value Added Tax
VER	Voluntary Early Retirement
VFM	Value for Money
YJA	Youth Justice Agency