
**Department of Justice
Annual Report and Accounts
For the year ended 31 March 2022**

*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

8 July 2022



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 Annual Report and Accounts for 2021-22 for the Department of Justice (DoJ) following my appointment as Permanent Secretary and Accounting Officer on 4 April 2022.

Although I have only recently joined the Department, I have been hugely impressed by the professionalism and commitment of colleagues across the Department. I am particularly aware that during the past year the Covid-19 pandemic presented numerous challenges to the delivery of Departmental business and key services. In addition, colleagues across the Department were dealing with the consequences of the pandemic within their families and local communities. As a service delivery organisation and despite those challenges, many key services were maintained by the DoJ in addition to progress across other workstreams including implementation of an ambitious legislative programme.

Dealing with the effects of Covid-19 will, of course, continue to impact on the Department in the months ahead. We must continue to build on the innovative ways of delivering our business, developed in response to the pandemic, as well as understanding the impact on wider society and how this will affect the work of the Department going forward.

I am looking forward to getting to know the people and the work of the Department better and working with colleagues across the sector.

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 "to work in partnership to create a fair, just and safe community where we respect the law and each other". However, 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.

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

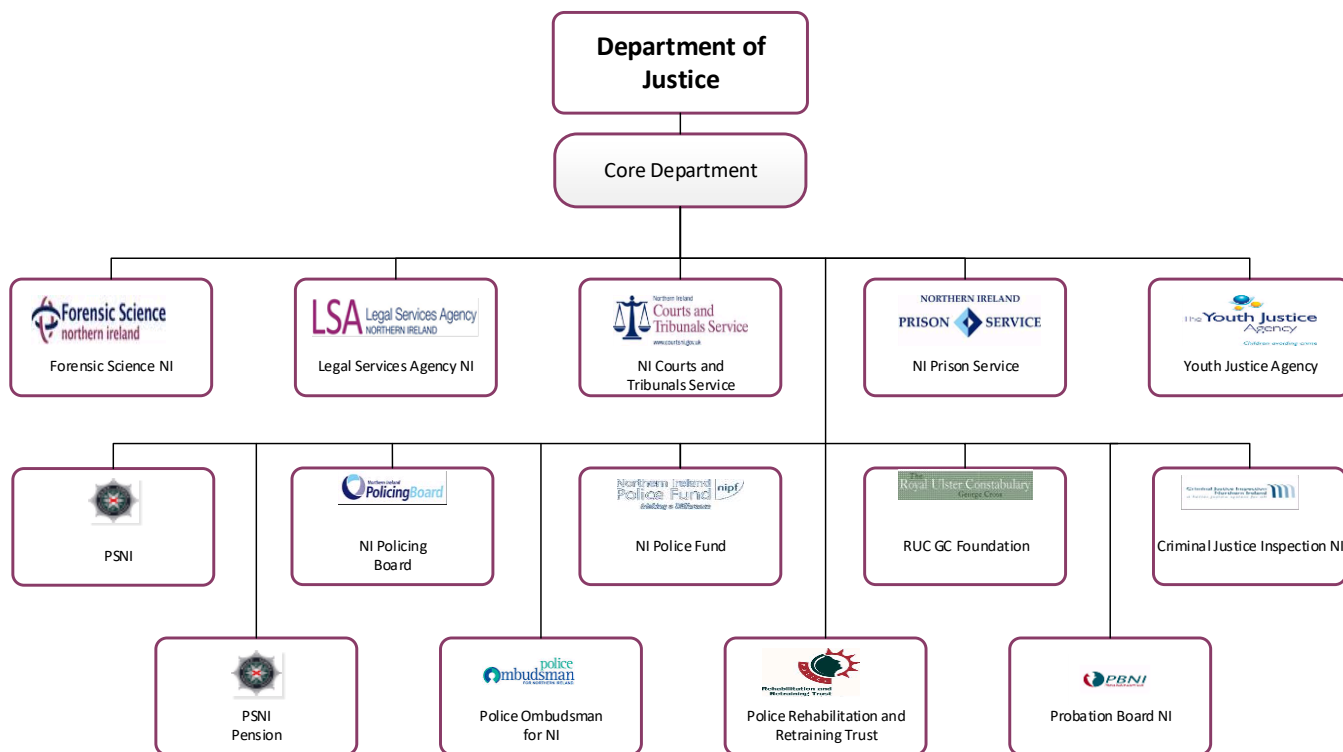
- Integrity;
- Honesty;
- Objectivity; and
- Impartiality.

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 as follows:



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 (FSNI);
- Legal Services Agency Northern Ireland (LSANI);
- Northern Ireland Courts and Tribunals Service (NICTS);
- Northern Ireland Prison Service (NIPS); and
- Youth Justice Agency (YJA).

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 (CJINI);
- 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 (PSNI) and PSNI Police Pensions;
- 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 risks and issues

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 2021-22 included:

- **Resources** - insufficient resources to effectively balance emerging pressures, including Covid-19, with operational delivery, Departmental commitments and business as usual needs;
- **Capability** - insufficient skills, training and succession planning to ensure appropriately skilled people to meet business need as it emerges or changes;
- **Capacity** - insufficient availability of staff resource at all grades to fill identified vacancies to effectively balance operational delivery, operational commitments and business as usual needs;
- **Covid-19** - Covid impacts on availability of staff with implementation of New Ways of Working delayed due to lack of clarity on social distancing and lack of funding restricts recovery;
- **Accommodation** - insufficient accommodation available due to Covid-19 social distancing requirements, potential building closures during the pandemic and general structural issues impacting operational delivery, and the ending of leases;
- **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 service delivery and confidence in the justice system; and
- **Information** - a threat such as a pandemic, fire, flood, cyber-attack or other causes of operational failure impact on critical infrastructure or line of business information systems or records resulting breaches to the availability, accuracy or confidentiality of information.

Further details are provided in the Performance Analysis section about the risks faced by the Department and mitigations put in place. The Governance Statement also provides an overview of the Department's risk management and internal control system.

Responding to the Covid-19 pandemic continued to be the most significant issue for the Department in-year. Recovery plans were integrated with normal business planning processes and although the pandemic impacted on the operation and delivery of the Department's business, key services continued to be delivered through an innovative and flexible response across the entire Department. Work continues to progress the implementation of a NICS-wide approach to New Ways of Working and the Hybrid Working Policy for implementation as soon as a restrictions allow.

Other key issues faced during 2021-22 included:

- Response to exiting from the EU;
- Legacy issues;
- Implementation of the Troubles Permanent Disablement Payment Scheme;
- The operational impact of damage to the main building used by FSNI; and,
- Impact of legal aid provisions within the Domestic Abuse and Civil Proceedings Act.

PERFORMANCE SUMMARY

Programme for Government

The Executive aimed to bring forward an Outcomes-based Programme for Government (PfG) that is focused on achieving outcomes of societal wellbeing and delivering real and positive change in people's lives. To achieve this a PfG draft Outcomes framework has been developed, which builds on the Outcomes-based approach that has defined strategic planning across the public sector since 2016.

The draft Framework contains nine strategic Outcomes which, taken together, aim to set a clear direction of travel for the NI Executive and provide a vision for the future of all citizens. The Department will play a key role in the delivery of the PfG, once approved, and will directly contribute to a number of the strategic outcomes.

Departmental Business Plan

The 2021-22 Departmental Business Plan was approved by the Minister in April 2021. The plan developed was more focused than previous years and sought to reflect the resource pressures faced across the Department, the Minister's key priorities and what could realistically be achieved in the context of the Covid-19 pandemic.

The Business Plan translated the Minister's priorities into actions and assigned responsibility and timescales for delivery. The key focus of the Department for the financial year was to continue to deliver our mission "**Working in partnership to create a fair, just and safe community where we respect the law and each other**" through the Department's priority areas:

- 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 five priorities were translated into 10 objectives and 16 actions for delivery across the Department's organisational business areas with a summary of the progress under each priority area set out below.

Departmental Business Plan (continued)

Support safe and resilient communities

The Department continued to advance the priority of supporting safe and resilient communities by engaging with partners to help improve community relations and tackle paramilitary activity. Enhanced collaborative working with statutory and community partners continued to support the delivery of key community safety priorities including tackling anti-social behaviour and hate crime; and through the Paramilitarism and Interfaces Programmes, contribute to the development of a more shared society.

The Department agreed an initial response to the 34 recommendations contained within an independent review of hate crime legislation, aimed at improving the effectiveness of the current legislation. Work also commenced on a number of the recommendations in advance of the development of a *Hate Crime Bill* which it is planned to introduce in the next Assembly mandate, subject to the Minister's agreement. Key policy positions were established on a number of recommendations within the review that were subject to public consultation.

To inform a review of Anti-Social Behaviour (ASB) legislation, a multi-agency, cross-Departmental Delivery group has considered nine separate powers. To date, considerations have been taken forward for powers relating to Absolute Grounds for Possession, Civil Injunction Criminal Behaviour Orders, Dispersal Powers and provisions of seizure for noise making equipment. The legislative and non-legislative options for a Community Trigger power (ASB case review process) will be finalised to have a recommendation available for consideration by the Delivery Group.

Work also continued on delivery of positive interventions at a number of interface locations. New vehicular and pedestrian access gates have been installed between two solid barriers on Flax Street, North Belfast. The removal of the barriers and re-opening of the street - for the first time in over 30 years - should be possible mid-2022 (subject to the completion of complementary CCTV coverage, and ongoing residential/commercial development either side of the gates). A children's play space has been completed in an area of former interface 'no man's land' between the Short Strand and Cluan Place in East Belfast; it is expected that the facility will further foster local community relations. New see-through gates have also replaced solid and unsightly security barriers on North Howard Street between the Shankill and Falls interface in West Belfast. Discussions with local stakeholders are progressing in Derry/Londonderry towards the potential removal of the remaining interface security apparatus along a portion of Derry's Walls. Similar engagement with a view to securing the trial extended opening of interface security gates in North and West Belfast is also underway.

The Tackling Paramilitary Activity, Criminality and Organised Crime Programme has been implementing year one of phase two of the programme with enhanced programme management arrangements to improve collaboration and working towards shared outcomes. The overall outcome for the Programme is 'safer communities, resilient to paramilitarism, criminality and coercive control'. There is an emphasis on delivering a coherent evidence-based programme of outcome-focused activity that focuses on stopping harm and putting in place early interventions to ensure that future generations are not exploited or traumatised through paramilitary coercion, control and violence.

Tackling the impact of organised crime on communities was progressed through the implementation of the relevant Northern Ireland provisions of the *Criminal Finances Act 2017* following commencement and enhanced Transparency in Supply Chains arrangements and support to the private and public sector. The remaining NI provisions of the Act commenced in June 2021 bringing Northern Ireland into line with the rest of the UK by giving law enforcement agencies and partners enhanced capabilities and powers to recover the proceeds of crime. A consultation by the Department also sought views on the changes the UK Government intends to bring forward in relation to eradicating modern slavery from public sector supply chains. The proposed changes are intended to strengthen the Transparency in Supply Chain arrangements for commercial businesses and will, for the first time, extend them so that they apply to the public sector.

Departmental Business Plan (continued)

Addressing harm and vulnerability

Good progress continued on tackling domestic abuse through development of further initiatives that provide services for victims and young people. Following a public consultation on Enhancing Legal Protections for Victims of Domestic Abuse (domestic abuse protection notices/orders), further policy development work is ongoing in advance of drafting regulations and guidance. Legislation has also been advanced to provide for information sharing under an Operation Encompass model for Northern Ireland and a pilot of the model launched in September 2021. A new advocacy support service was also established in September 2021, ASSIST NI, delivered by a partnership of Women's Aid and Men's Advisory Project.

The *Domestic Abuse and Civil Proceedings Act (Northern Ireland) 2021* became operational in February 2022. A multi-media advertising campaign aimed at raising awareness of a new domestic abuse offence and domestic abuse more generally ran across a range of platforms from late February 2022 for four weeks, coinciding with the introduction of the new Domestic Abuse Offence. The focus of the campaign was to educate about domestic abuse, controlling and coercive behaviours and encourage conversations about what constitutes healthy/unhealthy relationships. A review of statutory guidance underpinning the Public Protection Arrangements Northern Ireland (PPANI) to enhance the assessment and management of the risk posed by individuals convicted of domestic violence related offences has also been completed and guidance will be updated as necessary. The *Protection from Stalking Act (Northern Ireland) 2022* received Royal Assent in April 2022.

To support victims and witnesses and improve their experience of the criminal justice system a new Victim and Witness Strategy for NI 2021-24 was published in October 2021. Implementation of the strategy has progressed through the establishment and appointment of a new Victims of Crime Commissioner Designate who took up post in June 2022, and funding agreements with Victim Support NI and the NSPCC Young Witness Service continue to ensure that support services are provided to victims and witnesses. In addition, the ongoing administration of the Registered Intermediaries Scheme to assist victims, witnesses, suspects and defendants with vulnerabilities that could affect their ability to communicate their best evidence during an investigation or at trial, progressed during the year as well as work to scope and develop recommendations for a new digital information portal for victims and witnesses (My Justice Journey).

Good progress continues to be made with the implementation of the Gillen Review of serious sexual offences, with over half of the Gillen recommendations now implemented to some degree; 30% are fully completed and 22% are partially completed. Key developments in 2021-22 include the launch of an adult Sexual Offences Legal Advisers (SOLA) pilot to support adult complainants by offering publicly funded, independent legal advice in serious sexual offence cases. Remote Evidence Centres have also been established in Belfast and Craigavon to allow vulnerable and child victims and witnesses to provide evidence remotely in a less daunting environment. Plans to deliver a bespoke facility for central Belfast are well advanced and expected to be ready for use by the end of 2022. A new victim focused trauma-informed training framework has also been agreed to improve the handling of serious sexual offence cases by adopting a trauma-informed approach.

Work to maintain and improve the safety and wellbeing of people in our care continued during 2021-22 including engagement with the Department of Health to drive forward the joint 'Improving Health within Justice' Strategy and Action Plan. At 31 March 2022, 89% of the 45 actions in the plan have been rated as either on track for achievement or closed/embedded/completed. The plan has been extended for a further year to allow for the remaining outstanding actions to be progressed. Regular stocktake meetings with the Mental Health Champion have continued and officials have been engaging widely with stakeholders to co-ordinate justice inputs to the Executive Working Group on Mental Wellbeing, Resilience and Suicide Prevention.

Departmental Business Plan (continued)***Challenge reoffending and support rehabilitation***

The Department has continued to seek to improve the outcomes for people in our care by enhancing opportunities to address the needs of individuals, helping them address the root cause of their offending behaviour and reduce the rate of offending. An Adult Restorative Justice Strategy and associated multi-year Action Plan were published in March 2022. A multi-agency Restorative Justice Working Group, which was engaged in the development of the Strategy, will now focus on delivering the work to implement the identified actions, as well as monitoring and reporting on progress.

A new justice wide strategy 'Supporting Change: a strategy for women and girls in or at risk of contact with the justice system' was launched in March 2022. This was based on extensive engagement with key stakeholders and informed by a public consultation from January to March 2021; work will commence on developing two action plans to deliver the strategy, one for women and another for girls.

A public consultation was carried out on proposals to reform rehabilitation periods in Northern Ireland with a view to assisting ex-offenders to find employment and, in turn, reduce reoffending and an options paper on the way forward has been considered. It is planned to bring forward an order amending existing rehabilitation legislation at the earliest opportunity in the next mandate, subject to Ministerial agreement.

Early intervention work continues and a diversionary scheme for young adult males and women has been developed, although resourcing pressures have impacted progress. Children's Diversion Forums have been rolled out across all areas in collaboration with the PSNI, Education Authority and Health & Social Care (HSC) Trusts to co-ordinate the best approach in helping children avoid entry into the formal justice system.

In March 2022, the Justice and Health Ministers made decisions on the way forward on the Regional Facilities Programme for Children and Young People. It has been agreed that the Lakewood Secure Care Centre (run by the South Eastern HSC Trust) and the Woodlands Juvenile Justice Centre (run by YJA) will continue to operate independently but will co-operate more fully on the provision of harmonised shared services.

The new Strategic Framework for Youth Justice in Northern Ireland and accompanying 5-year Action Plan, which aims to deliver on the Department's vision of "a progressive youth justice system - delivering better outcomes for children and communities", was published in March 2022. This will ensure the continued delivery of, and investment in, initiatives aimed at diverting young people from the youth justice system at the earliest possible stage and the development of further measures aimed at ensuring custody for children is a last resort.

Departmental Business Plan (continued)***Deliver an effective justice system***

The Northern Ireland Courts and Tribunals Service (NICTS) continued to adapt and work within Covid-19 restrictions to deliver business throughout the year. The International Convention Centre in Belfast was operational as a nightingale court venue in the early part of 2021-22, Strabane courthouse reopened and additional Crown Court capacity was added. ICT has played a key role in the recovery process, facilitating remote working for staff and the extensive use of video technology across all of the justice organisations. That has included, for example, Remote Evidence Centres, Prison visits and virtual meetings with stakeholders. In addition, NICTS completed a 'State of the Estate' Report, which will inform a future Estates Strategy and programme of works, which is central to the modernisation of courts and tribunals.

Good progress has been made to modernise and transform the Civil and Family Justice Systems following publication of a civil justice modernisation delivery plan in August 2021. It was necessary, however, to pause a number of workstreams including a proposed private family law mediation pilot until there is greater clarity on the budget position for 2022-23. The proposed consultation on the introduction of a statutory registration scheme was originally due to take place in March 2022 but is now planned to take place in June 2022 with the aim to commence in 2023.

The Department also completed its ambitious legislative programme. In addition to the *Domestic Abuse and Civil Proceedings Act (Northern Ireland) 2021* and the *Protection from Stalking Act (Northern Ireland) 2022* noted above, the *Criminal Justice (Committal Reform) Act (Northern Ireland) 2022* received Royal Assent in March 2022 and work is progressing on the implementation of the Act in a two-phased approach. The *Justice (Sexual Offences and Trafficking Victims) Act (Northern Ireland) 2022* received Royal Assent in April 2022 and, together with the *Protection from Stalking Act (Northern Ireland) 2022*, its provisions will enhance public safety by broadening the law on sexual offences and child sexual exploitation, and improving services for victims of trafficking and exploitation. Finally, the *Damages (Return on Investment) Act (Northern Ireland) 2022* received Royal Assent in February 2022, leading to a new discount rate being set in March 2022.

Work on a business case approval for new accommodation for FSNi to maintain and enhance services has progressed and the business case was submitted to the Department on 29 April 2022. A DoJ Sustainability Group has also agreed a draft Sustainability Strategy, in principle, along with the associated governance structure and work is ongoing to set realistic, achievable and collective sustainability targets that align with the Department's obligations under the new *Climate Change Act*.

Departmental Business Plan (continued)

Secure confidence in the justice system

The Department ensured that administrative arrangements were in place for the Victims' Payments Board to enable the Troubles Permanent Disablement Payment Scheme to open for applications in August 2021. The Victims' Payments Board, which is independent of the Department, has already made a number of determinations on applications to the scheme.

The Legal Services Agency Northern Ireland continues to implement and embed a rigorous fraud and error strategy for legal aid, aiming to reduce official error, continuing to measure applicant fraud and error, and develop a baseline methodology to enable independent measurement of practitioner fraud and error from 2023-24. Testing of official error continues to have been conducted by the Standards Assurance Unit (SAU) within the Department for Communities under a Memorandum of Understanding. The estimated level of official error in 2021 was 4.3% (£1.9 million) which compares favorably with the 2020 estimate of 14.9% (£5.6 million); a decrease of 10.6 percentage points. The Agency also undertook its first assessment of applicant fraud and error during the 2021 year. This produced an estimate of applicant fraud and error of 32.1% (£1.3 million) in respect of eligible expenditure. The error rate was influenced by the number of assisted persons who cannot be compelled to co-operate and therefore did not engage (non-compliance error) with the review following the end of their case. As a result, the Agency has changed the approach to testing and in 2022 will review live rather than closed cases.

A three year Prisons 2020 Continuous Improvement Programme closed in September 2021. Significant progress has been made and an initial assessment reported that more than 95% of 282 actions were designated as achieved. Further progress will be taken forward through Prisons 25 by 25, the next three year programme which has been subject to consultation.

A Ministerial review of support services for current and former prison officers, which has led to a new support service for retired officers, was launched in February 2022 in partnership with the Police Rehabilitation and Retraining Trust. Progress continues against the recommendations to deliver further support services for serving prison staff. As part of the ongoing NIPS Estates Strategy, business case approval has been obtained for a new Female Facility and a new Welcome and Visits Centre in Maghaberry Prison. A further business case relating to the redevelopment of Magilligan Prison has also been submitted to the Department of Finance (DoF) for approval.

Covid-19

The Department continued to operate under the restrictions imposed by the Northern Ireland Executive and *The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 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 has continued to manage and adapt working practices in response to the varying levels of restrictions and this response has been managed through various mechanisms led by the Department's Senior Management Team including:

- regular Senior Management Team meetings;
- meetings of DoJ Agencies, larger NDPBs and the Public Prosecution Service (PPS); and
- meetings of Business Continuity Managers from each Directorate and Agency.

The Criminal Justice Board continued to meet regularly to oversee recovery of the criminal justice system and the Department had ongoing, regular engagement with criminal justice partners and key stakeholders, including Victim Support NI, the Law Society and Bar Council, to provide updates and co-ordinate recovery plans. The pandemic had a direct impact on the speed of criminal and civil cases and additional funding will be critical to ensure sustained recovery.

As noted above, NICTS continued to adapt to support recovery, and NIPS and the Juvenile Justice Centre at Woodlands also worked closely with the Public Health Agency and health professionals to keep staff and those in their care safe from Covid and ensure ongoing delivery of services.

There has been continued focus on staff engagement, particularly due to the increased requirement for some staff to work remotely. This has included regular communications issued from the Permanent Secretary with messaging informed by views offered by the Department's Internal Communications Forum. Further Departmental and local engagement events were conducted throughout the year remotely. On-line learning and development initiatives were promoted to staff with a focus on health and wellbeing. This included a short series of webinars delivered across the Department as part of a Leadership and Wellbeing toolkit.

A key focus throughout the year has been preparations for the implementation of New Ways of Working and Hybrid Working Policy, a NICS-wide initiative. Working groups have been established across the NICS and within the Department to seek views of staff and communicate progress. Although implementation has been delayed due to current Executive guidance in relation to working from home where that is feasible, staff have been encouraged to make the necessary preparations in anticipation of implementation of the Hybrid Working Policy.

Covid-19 (continued)

Total Covid-19 expenditure during 2021-22 amounted to £32.522m comprising Non-ringfenced Resource Departmental Expenditure Limit (DEL) £32.272m and Capital DEL £0.250m as outlined below:

Non-ringfenced Resource DEL	Outturn £000	Funded by Executive allocation £000	Funded from DoJ budget £000
PSNI	12,725	9,735	2,990
NIPS	3,137	3,645	(508)
NICTS	7,554	7,303	251
LSANI	7,787	7,787	-
DoJ Core and associated NDBPs	793	795	(2)
Personal Protective Equipment (PPE)	276	366	(90)
Total Non-ringfenced Resource DEL	32,272	29,631	2,641

Capital DEL	Outturn £000	Funded by Executive allocation £000	Funded from DoJ budget £000
PSNI	17	28	(11)
NICTS	233	200	33
Total Capital DEL	250	228	22

EU Exit

The Department continued to work closely with counterparts in the UK Government, other devolved administrations, the Irish Government, the European Union and other operational partners to ensure justice and security arrangements included in the Trade and Co-operation Agreement are successfully implemented and to explore opportunities for future cooperation. The Department also contributed directly to the resolution of EU Exit justice matters and to the development of future engagement on international criminal justice issues with the Home Office through their international criminality strategy. The security impacts of the NI Protocol have also been monitored with law enforcement partners to help planning for protocol implications and put necessary contingency arrangements in place.

Total EU Exit expenditure during 2021-22 amounted to £18.610m comprising Non-ringfenced Resource DEL £18.602m and Capital DEL £0.008m as outlined below:

Non-ringfenced Resource DEL	Staff Resources	Outturn	Funded by Executive allocation	Funded by HM Treasury	Funded from DoJ budget
	FTE	£000	£000	£000	£000
DoJ Core - staff costs	7	438	472	-	(34)
NICTS - staff costs	1	57	91	-	(34)
PSNI - staff costs	308	18,107	12,137	2,128	3,842
Total Non-ringfenced Resource DEL	316	18,602	12,700	2,128	3,774

Capital DEL	Staff Resources	Outturn	Funded by Executive allocation	Funded by HM Treasury	Funded from DoJ budget
	FTE	£000	£000	£000	£000
PSNI - capital works	-	8	-	-	8
Total Capital DEL	-	8	-	-	8

Equality of delivery of services to different groups in society

In carrying out its functions relating to Northern Ireland, the Department is required to have due regard to the need to promote equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

In addition, without prejudice to the obligations above, in carrying out its functions in relation to Northern Ireland, the Department is required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

Schedule 9, Paragraph 4 (1) of the *Northern Ireland Act 1998* requires the Department, as a designated public authority, to set out in an Equality Scheme how it proposes to fulfil the duties imposed by Section 75 in relation to its relevant functions. This Equality Scheme fulfils that statutory requirement. It is both a statement of arrangements for fulfilling the Section 75 statutory duties and the plan for their implementation.

Some of the arrangements for assessing the Department's compliance with the Section 75 statutory duties are outlined in relevant parts of the DoJ Equality Scheme. Key arrangements for compliance include: consulting; assessing, monitoring and publishing the impact of policies; ensuring and assessing public access to information and services; and the complaints procedure.

The DoJ Equality Unit provides quality assurance through reviewing Section 75 Screening forms from policy areas that are developing or revising a policy or strategy. Two-way discussion between the Equality Unit and policy areas ensures due regard is taken to the needs of Section 75 categories throughout the policy development process and to ensure equality is mainstreamed.

Forward look

Continued recovery from the Covid-19 pandemic remains a key priority for the Department going forward. This includes, in particular, recovery of the justice system, which has been significantly impacted by necessary restrictions as a result of the pandemic.

A number of innovations implemented during the pandemic will continue to be deployed including the use of technology as evidenced by the introduction of virtual visits for those in custody, greater use of remote hearings in courts and tribunals, and the ability for many staff to work remotely.

Preparations are also being made for a new Assembly mandate and implementing the priorities of the Minister.

The Budget 2022-25 cannot be agreed without an Executive in place. The draft Budget is however the only recognised published position, and presents a very difficult position for DoJ with 2% cuts and minimal allocations. A DoJ Budget Consequences Document and Equality Screening Document was published on the Department's website, which highlights the potential impacts of the draft Budget on the justice family. Without an agreed Budget for 2022-23, the Finance Minister provided departments with a Contingency Planning Envelope of the rolled forward Baseline position. The Contingency Planning Envelope represents the minimum funding that the Department could reasonably expect for 2022-23, and allowed the Department to plan its expenditure. However, as the Contingency Planning Envelope is broadly similar to the draft Budget position, the Department is facing a number of significant inescapable pressures. These pressures have been discussed with the Minister and actions agreed. DoF have been informed of these pressures.

PERFORMANCE ANALYSIS**Performance against Business Plan for 2021-22**

Key Priority Area 1: Support Safe and Resilient Communities			
Ref	Objective	Action	Position at 31 March 2022
1.1	To engage with our partners to help build safe and resilient communities, improve community relations and tackle paramilitary activity.	Enhance collaborative working with statutory and community partners to support delivery of key community safety priorities including tackling anti-social behaviour and hate crime; and through the Paramilitarism and Interfaces Programmes, contribute to the development of a more shared society.	<p>Partially achieved.</p> <p>Work has commenced on the development of a Hate Crime Bill with a number of policy positions agreed, subject to public consultation. Phase one of a public consultation closed in March 2022 with approximately 262 responses.</p> <p>A review of Anti-Social Behaviour (ASB) legislation has progressed 5 of the 9 powers identified as a result of the consultation. Plans are in place to complete considerations of the remaining 4 powers during 2022-23.</p> <p>Work continues to deliver positive interventions at a number of interface locations. Discussions with local stakeholders are progressing in Derry/Londonderry towards the potential removal of the remaining interface security apparatus along a portion of Derry's Walls. Similar engagement with a view to securing the trial extended opening of interface security gates in North and West Belfast is also underway.</p> <p>The Tackling Paramilitary Activity, Criminality and Organised Crime Programme has been implementing year one of phase two, with enhanced programme management arrangements to improve collaboration and working towards shared outcomes.</p>
1.2	To reduce the vulnerability of businesses and individuals from the harm caused by crime.	Tackle the impact of organised crime on communities through implementation of the relevant NI provisions of the <i>Criminal Finances Act 2017</i> following commencement and enhanced 'Transparency in Supply Chains' arrangements and support to the private and public sector.	Achieved.

Key Priority Area 2: Address Harm and Vulnerability			
Ref	Objective	Action	Position at 31 March 2022
2.1	To engage with partners to provide practical support to victims and develop policies and legislation to protect those most vulnerable in our society.	Continue to: progress the domestic abuse agenda through development of further initiatives which provide services for victims and young people, including advocacy and preparing proposals for domestic abuse protection notices/orders as well as an 'Operation Encompass' model; contribute to a strategy to protect women and girls from violence; progress a Protection from Stalking Bill within Assembly timescales; and continue to ensure awareness of the dynamics of domestic abuse through both statutory partners and the wider public.	Achieved.
		To support victims and witnesses and improve their experience of the criminal justice system: through ensuring they receive the services, information and practical and emotional support they need; increased organisational focus on victims and witnesses; the establishment of a Victims of Crime Commissioner; and ongoing delivery of recommendations from the Gillen review of serious sexual offences.	Achieved.
2.2	Maintain the safety and wellbeing of people in our care.	Work across government: to further develop and implement actions in support of improved health (including mental health) within the justice system including continued delivery of the joint Department of Health (DoH)/DoJ Improving Health within Justice Strategy Action Plan; scoping the potential to capture improved outcomes for offenders with mental health issues flowing from the Department's reform initiatives; and participation and engagement within a range of fora to support the progression of initiatives to improve outcomes for those on the cusp of, or within the justice system.	Achieved.

Key Priority Area 3: Challenge Offending Behaviours and Support Rehabilitation			
Ref	Objective	Action	Position at 31 March 2022
3.1	To improve the outcomes for people in our care by enhancing opportunities to address the needs of individuals, helping them address the root cause of their offending behaviour and reduce the rate of offending.	Support the effective management of offenders, develop effective offences and penalties and facilitating rehabilitation, publish an Adult Restorative Justice Strategy and Action Plan and a strategy to support and challenge women and girls in contact with the justice system.	Achieved.
3.2	To put in place arrangements for the care of children in a safe, secure, therapeutic, child-centred environment supported by a youth justice policy and legislative framework with a coherent approach to early intervention.	Develop a strategic Departmental approach to Early Intervention that includes extending the Children’s Diversion Forum, working collaboratively with other statutory agencies to co-ordinate the best approach in helping children avoid entry into the formal justice system; and in conjunction with DoH, develop an implementation plan for the establishment of a Care and Justice Campus for approval by Ministers.	Achieved.
		Develop a strategic framework for youth justice to build on the vision set out in “Transforming Youth Justice”, to include details of evidence, timescales and monitoring arrangements.	Achieved.

Key Priority Area 4: Deliver an Effective Justice System			
Ref	Objective	Action	Position at 31 March 2022
4.1	To support recovery of the justice system from Covid-19 and modernise and transform the Civil and Criminal Justice Systems.	Working with our partners across the Justice Sector and with the Criminal Justice Board to continue to promote recovery of the justice system in response to the challenges of Covid-19, ensuring a coordinated approach that is focused on innovative practices and underpinned by an effective estates strategy for the NI Courts and Tribunals Service and other departmental buildings.	Achieved.
		Continue to modernise and streamline the criminal and civil justice systems including implementation of a rolling programme of civil and family justice modernisation and progressing a legislative programme agreed by the Minister including introduction of a statutory registration scheme for legal aid practitioners, and progression of the Criminal Justice (Committal Reform) Bill, the Justice (Miscellaneous Provisions) Bill and through the Damages (Return on Investment) Bill within Assembly timescales.	Partially achieved. <p>Good progress has been made in a number of areas following the Minister's statement to the Assembly on civil justice modernisation in March 2021.</p> <p>The proposed consultation on the introduction of a statutory registration scheme is due to launch in September 2022 at the earliest. Engagement is ongoing with the regulatory bodies to finalise a number of strands of work prior to consultation.</p> <p>The Criminal Justice (Committal Reform) Act received Royal Assent and became law in March 2022. The Damages (Return on Investment) Act received Royal Assent in February and has been brought into force with a new discount rate set in March 2022.</p> <p>The responses to a consultation on increasing financial jurisdiction of county courts was submitted to the Justice Committee in November 2021, and an increase in the small claims jurisdiction will come into operation in 2022-23.</p> <p>A consultation on the out of court settlement of civil claims on behalf of children concluded in September 2021. A summary of responses has been prepared and a paper shared with the Justice Committee in January 2022 indicating a proposal for legislative change in the next mandate. Work is progressing on instructions to Legislative Counsel.</p>

Key Priority Area 4: Deliver an Effective Justice System			
Ref	Objective	Action	Position at 31 March 2022
			<p>A Working Group on Investigations into Deaths Abroad has reported and the recommendations are being considered.</p> <p>The Justice (Miscellaneous Provisions) Bill has been superseded by the Justice (Sexual Offences and Trafficking Victims) Act which received Royal Assent in April 2022.</p>
4.2	To support the effective delivery of Justice through effective scientific support services, promote sustainability, budget management and development of staff.	Secure business case approval for new accommodation for FSNI to maintain and enhance services.	<p>Not Achieved.</p> <p>There have been some delays faced with the appointment of key project staff.</p> <p>The Outline Business Case was finalised on receipt of the Royal Institute of British Architects (RIBA) Stage 2 (Concept Design) report and submitted to DoJ for approval on 29 April 2022.</p> <p>Following DoJ approval, the case will be submitted to DoF for approval as it is above the delegated limit.</p>
		Ensure the effective management of the Department's budget to maximise efficiency and utilise resources for maximum effectiveness as well as supporting and promoting leadership development of the Department's people.	Achieved.
		Promotion and management of the sustainability agenda and carbon reduction across the DoJ including developing an appropriate DoJ Sustainability Strategy, establish a collective sustainability management structure and produce a corporate sustainability action plan.	<p>Partially achieved.</p> <p>A DoJ draft Sustainability Strategy has been agreed and work is ongoing regarding the setting of sustainability targets. The Assembly passed the Climate Change Act with far reaching targets and legally binding duties on Departments and this needs taken into consideration in the Department's plans.</p> <p>Planning for a wildflower meadow to increase biodiversity at the Maryfield site is underway.</p> <p>NICTS continue to improve the energy efficiency of its building stock.</p>

Key Priority Area 4: Deliver an Effective Justice System			
Ref	Objective	Action	Position at 31 March 2022
			NIPS and FSNI continue to upgrade LED lighting across their premises and NIPS has set targets for environmental commitments such as reduction of waste sent to landfill and the refurbishment of boiler houses and plant rooms.

Key Priority Area 5: Secure Confidence in the Justice System			
Ref	Objective	Action	Position at 31 March 2022
5.1	To ensure that victims of the Troubles have access to financial support in recognition of harm caused by the Troubles and confidence in the administration of the legal aid budget.	Provision of effective administrative functions for the Victims' Payments Board to support administration of the Troubles Permanent Disablement Payment Scheme.	Achieved.
		Implement and embed a rigorous fraud and error strategy for legal aid which aims to reduce official error by at least 3%; establishes a baseline for applicant fraud and error; and pilots a methodology to enable a baseline for practitioner fraud and error to be established	Achieved.
5.2	Modernise the delivery of services to support NIPS staff and people in our care	Deliver Year 3 of the Prisons 2020 Continuous Improvement Programme (ending October 2021) and develop a successive continuous improvement programme for 2022-2025, deliver the recommendations from the Ministerial review of support services to current and former Prison Officers and progress delivery of the NIPS estates strategy.	Achieved.

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.

The Department operates an 'open' attitude to risk and has controls in place to mitigate the potential impacts of risks identified. As previously outlined in the Overview, the key risks identified in 2021-22 included:

- Resources;
- Capability;
- Capacity;
- Covid-19;
- Accommodation;
- Collaboration;
- Community confidence; and
- Information.

An issues log is used to capture the live risks being actively managed which are outside of the Department's control and are recorded alongside the Departmental Risk Register. Some of the key issues that have been faced during 2021-22 included the continued response to the Covid-19 pandemic and operational issues relating to launch of the Troubles Permanent Disablement Payment Scheme.

FINANCIAL REVIEW

Budgeting framework

The Department of Finance (DoF) is responsible for management of the NI Executive Budget process in line with a budgetary framework set by HM Treasury. The total amount a department spends is referred to as the Total Managed Expenditure, which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to HM Treasury. As DEL budgets are understood and controllable, HM Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments.

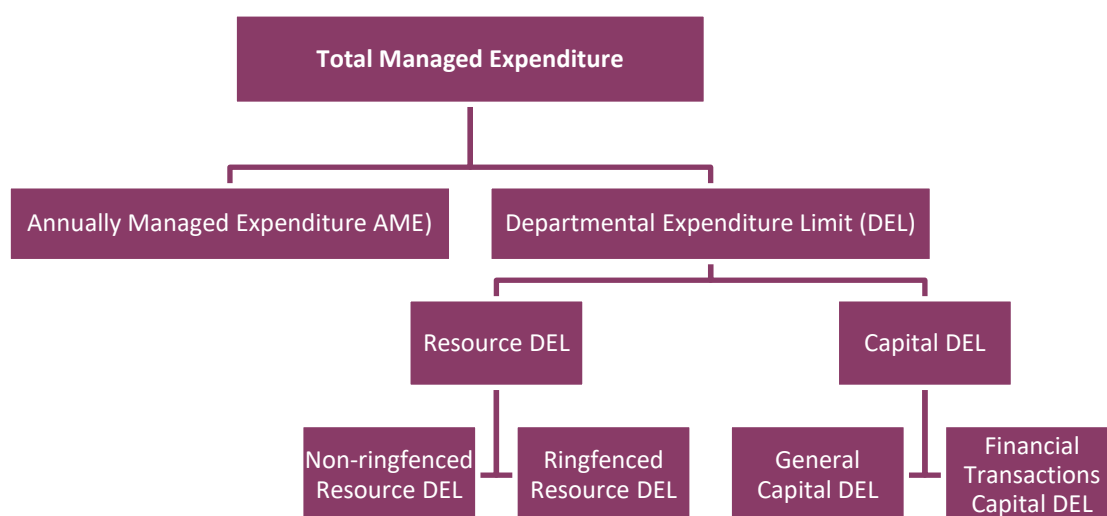
DEL budgets are classified into resource and capital:

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets; and
- Capital DEL is split into ‘financial transactions’ for loans given or shares purchased and ‘general capital’ for spending on all other assets or investments.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury: <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>.

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive’s Review of Financial Process (RoFP) will help address these differences and improve transparency. RoFP is due to be implemented in 2022-23. Further information on the Executive’s Review of Financial Process can be found on the Northern Ireland Assembly website.

Budget structure



FINANCIAL REVIEW (CONTINUED)**Budgetary performance**

Details of the Department's performance against Budgetary Control totals is set out in the table below for 2021-22.

Category of expenditure	Provisional Outturn £000	Final Plan £000	Underspend £000
Resource DEL			
<i>Non-ringfenced (cash)</i>	1,180,141	1,190,834	10,693
<i>Ringfenced (non-cash)</i>	80,567	82,888	2,321
Capital DEL			
<i>General Capital</i>	72,501	77,527	5,026
<i>Financial transactions</i>	-	-	-
Total DEL	1,333,209	1,351,249	18,040
Resource AME	307,240	505,575	198,335
Total Managed Expenditure	1,640,449	1,856,824	216,375

The main reasons for the variances are outlined below and further details are provided in the Statement of Outturn against Assembly Supply: SOAS1 - Outturn detail by Estimate line.

The above variances relate to Provisional Outturn and therefore may change when Final Outturn is prepared.

Resource Departmental Expenditure Limit (Resource DEL)*Non-ringfenced Resource DEL (cash)*

The non-ringfenced resource DEL underspend of £10.7m (0.9% of total budget) was mainly due to:

- Core Department - mainly in relation to underspends in staff costs due to slippage in filling vacancies, small underspends in non-staff costs, and lower compensation and legal costs than anticipated;
- NI Prison Service - mainly due to lower staff costs and lower payment of provisions for injury on duty and other legal cases, offset by increasing costs of utilities;
- NI Courts and Tribunals Service - mainly relates to underspends in staff costs due to slippage in filling vacancies, and lower than expected spend on legacy inquests, contract security and cleaning and estates maintenance, offset by an under-recovery of income as a result of Covid-19 and pressures due to increasing costs of utilities; and
- PSNI - mainly due to underspends in staff costs, delays in delivery and transformation project work due to Covid-19, and underspends in cash payment of provisions as a result of lower than expected injury on duty claims.

FINANCIAL REVIEW (CONTINUED)

Budgetary performance (continued)

Ringfenced Resource DEL (non-cash)

This is a technical budget that can only be used for costs such as depreciation. The total Departmental underspend of £2.3m (2.8% of total budget) was mainly due to an underspend in NIPS of £3.7m following a five year revaluation of the NIPS Estate and the impact of the reduced opening values at the revaluation date of 1 April 2021. This was offset by a ringfenced overspend of £1.2m in PSNI as a result of assets in the course of construction moving to assets in use creating higher depreciation than expected.

Capital Departmental Expenditure Limit (Capital DEL)

General Capital DEL

The Capital underspend of £5m (6.5% of total budget) was mainly due to:

- NI Courts and Tribunals Service - mainly due to delays in the commencement of Estates and Vision 2030 (modernisation) projects as a result of supply chain issues; and
- PSNI - mainly due to delays in projects and materials delivery due to EU Exit and the war in Ukraine, along with site access delays due to Covid-19.

Annually Managed Expenditure (AME)

The AME underspend of £198.3m (39.2% of total budget) comprises the following main components:

- Core Department £73.7m - underspend relates to budget for McCloud compensation which was subsequently not required, and the Personal Injury Discount Rate (PIDR), set by the Government Actuary's Department (GAD), being lower than estimated which has resulted in an underspend in Compensation Services;
- NI Prison Service (NIPS) £82.5m - underspend relates mainly to headroom for potential legal cases and the five year revaluation of the NIPS Estate which has not been required. DoF advice is that Estimates should provide sufficient provision to cover activities that might occur, or liabilities or provision that might be incurred; and
- PSNI £32.9m - underspend mainly relates to Police Pensions due to lower interest as a result of changes in discount rate, and lower current service costs that were impacted by the number of members, contribution rates and leavers, and lower injury on duty cases reviewed and approved than expected.

FINANCIAL REVIEW (CONTINUED)**Estimates framework**

The Statement of Outturn against Assembly Supply (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. The final Estimate, normally the Spring Supplementary Estimate, forms the basis of the SOAS.

Estimates performance

The Estimates for the year to 31 March 2022 are contained in the *Budget (No 2) Act (Northern Ireland) 2021* and the *Budget Act (Northern Ireland) 2022*. 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 2022 report against the Spring Supplementary Estimates and will be laid in the Assembly.

The outturn and underspend reported in the Accounts against Estimates is different to that reported against Budgets for a number of reasons including:

- Accounts and Estimates include cash grants paid to NDPBs but Budgets reflect actual income and expenditure for NDPBs; and
- Budgets include cash utilisation of provisions for outturn purposes but this is excluded for Accounts and Estimates purposes.

The table below summarises the Outturn and Estimate position for 2021-22:

Category of expenditure	Outturn £000	Estimate £000	Outturn vs Estimate saving £000
Departmental Expenditure Limit (DEL)	244,126	253,682	9,556
Annually Managed Expenditure (AME)	103,330	269,854	166,524
Non-budget expenditure	1,050,091	1,082,777	32,686
Net Resource Outturn	1,397,547	1,606,313	208,766

Detailed explanations for the variance between Estimate and Outturn are provided in SOAS 1 within the Accountability Report but in summary, the main reasons for the variances were:

Departmental Expenditure Limit (DEL) - non-ringfenced Resource DEL savings relate mainly to the Asset Recovery Incentive Scheme, staff costs and non-staff costs, and underspends in depreciation;

Annually Managed Expenditure (AME) - the most significant variances relate to a £48m saving in the Core Department regarding provisions for ongoing implications of the McCloud remedy ruling that was not required and the NI Prison Service had a £83m saving due to lower than anticipated provisions for a legal case and a five year revaluation of the NIPS Estate being lower than anticipated; and

Non-budget expenditure - the PSNI saving of £21.5m was mainly due to higher accruals at year-end than expected due to high value legal cases and pay awards and underspends in Resource and Capital combined with Police Pensions saving of £5m due to a variance in the number and rank profile of leavers against forecast.

FINANCIAL REVIEW (CONTINUED)**Accounts framework**

The Annual Report and Accounts ('the Accounts') provides a comprehensive view of the Department's financial position and performance. The requirement for all NICS departments to produce Accounts is set out in legislation (*Government Resources and Accounts Act (Northern Ireland) 2001*), and every year departments must prepare a set of Accounts, have them audited by NIAO and lay them in the Assembly. The Accounts are prepared in accordance with the Government Financial Reporting Manual (*FReM*) and in line with International Financial Reporting Standards.

Accounts performance

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

Core Department and Agencies	2021-22	2020-21	2019-20
	£000	£000	£000
Total operating income	(60,071)	(46,341)	(52,343)
Staff costs	161,243	159,581	145,138
Purchase of goods and services	125,143	102,942	109,735
Depreciation and impairment charges	28,001	28,892	24,619
Provision expense	100,639	113,329	117,683
Grants	1,049,927	995,332	992,048
Total operating expenditure	1,464,953	1,400,076	1,389,223
Net operating expenditure	1,404,882	1,353,735	1,336,880
Finance expense	1,737	2,175	2,563
Net expenditure	1,406,619	1,355,910	1,339,443

Grants can be further analysed as follows:

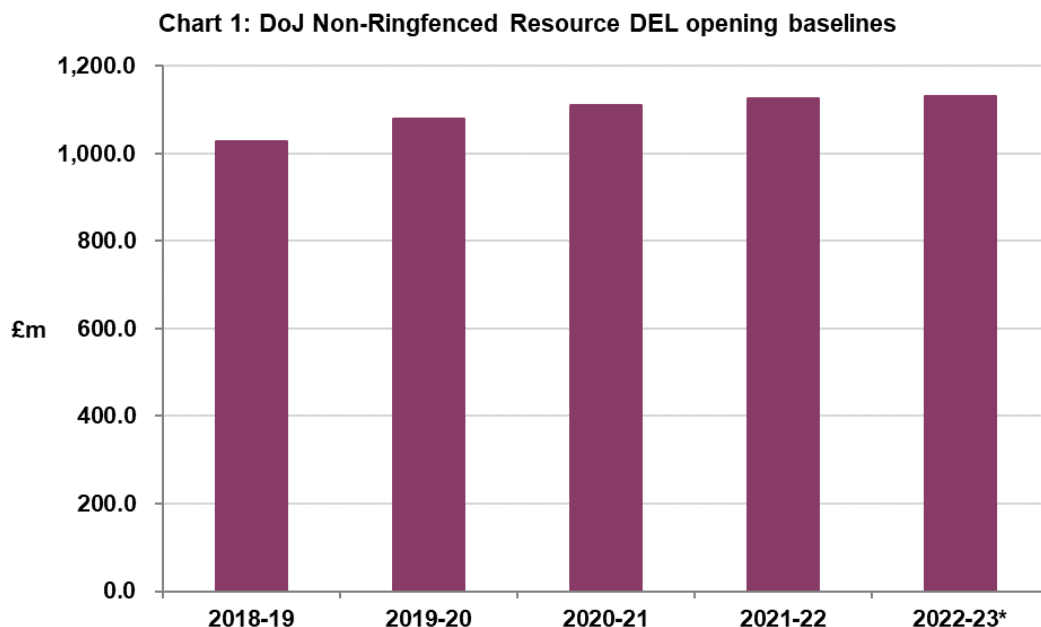
Core Department and Agencies	2021-22	2020-21	2019-20
	£000	£000	£000
Grant-in-aid:			
Police Service of Northern Ireland	851,912	806,857	794,674
Police Pensions	145,488	137,543	145,626
Office of the Police Ombudsman for Northern Ireland	10,399	9,435	10,357
Northern Ireland Policing Board	6,227	5,663	6,286
Probation Board for Northern Ireland	22,101	22,646	20,389
Criminal Justice Inspection Northern Ireland	1,155	1,080	1,124
RUC George Cross Foundation	127	132	97
Northern Ireland Police Fund	1,420	1,340	1,471
Police Rehabilitation and Retraining Trust	1,865	1,880	1,685
	1,040,694	986,576	981,709
Other grants including voluntary and community sector	9,233	8,756	10,339
	1,049,927	995,332	992,048

Further details of Income and Expenditure are contained in Notes 5, 6 and 7 to the Accounts.

FINANCIAL REVIEW (CONTINUED)

Long term expenditure trends

The chart below shows the movement in the Department of Justice opening baseline for non-ringfenced Resource DEL over the period 2018-19 to 2022-23.



* DoJ Contingency Planning Envelope for 2022-23

2021-22 financial year

On 1 April 2021 the Finance Minister set out the 2021-22 budget for Northern Ireland departments that has been agreed by the Executive.

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

- a flat cash allocation (2020-21 opening baseline);
- £31.2m of additional security funding for the PSNI;
- £10.7m of funding for EU Exit costs;
- £7.7m of Covid-19 allocation;
- £4.2m contribution towards Legacy costs; and
- £0.7m of Technical Adjustments.

2022-23 financial year

Following the resignation of the First Minister and the subsequent lack of an Executive, a Budget for 2022-23 could not be finalised. The Finance Minister wrote to departments to set out a way forward in the absence of an Executive to agree a Budget. This process involved DoJ issuing departments with contingency planning envelopes for the 2022-23 financial year. These envelopes provided departments with an assessment of the minimum funding they could reasonably expect for 2022-23 and allowed departments to plan for expenditure until such times as a Budget could be agreed.

It is important to note that the contingency planning envelope is not a replacement for an agreed Executive Budget. Rather it represents an understanding of funding for which there may be a reasonable degree of certainty will be reflected in a Budget position brought to a future Executive for consideration.

FINANCIAL REVIEW (CONTINUED)

The Department of Justice's non-ringfenced Resource DEL Contingency Planning envelope is £1,130.7m, made up as follows:

- a flat cash allocation (2021-22 opening baseline);
- additional security funding for the PSNI of £31.2m; and
- funding for the Tackling Paramilitarism Programme of £13.0m (this is total programme funding to be distributed across various departments and is not solely for the use of DoJ - it is not included in the DoJ baseline).

Capital investment priorities

In the absence of an Executive, a Capital Budget for 2022-23 cannot be agreed. The Finance Minister has provided each department with a contingency planning envelope for 2022-23. The Department's 2022-23 Capital DEL contingency planning envelope is £64.2m. This will allow the Department to fund tails of existing projects and contractual commitments, along with routine programmes and maintenance.

Looking ahead - budgets beyond 2022-23

Preparatory work for 2023-24 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.

FINANCIAL REVIEW (CONTINUED)**Summary of expenditure 2017-18 to 2021-22**

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.

	2017-18 Final Outturn £000	2018-19 Final Outturn £000	2019-20 Final Outturn £000	2020-21 Final Outturn £000	2021-22 Provisional Outturn £000
Unringfenced Resource DEL					
Core Department	49,725	49,064	44,628	44,724	54,580
Forensic Science NI	1,163	1,679	1,466	2,502	2,039
NI Courts and Tribunals Service	41,231	41,270	45,537	52,765	55,148
Legal Services Agency NI	87,917	88,517	88,734	81,759	103,812
NI Prison Service	95,249	97,347	103,169	113,102	108,810
Youth Justice Agency	20,983	15,301	14,877	14,607	14,576
Agencies total	246,543	244,114	253,783	264,735	284,385
PSNI (Main and Pensions)	691,180	695,630	744,925	775,638	798,434
NI Policing Board	5,560	5,451	5,833	5,464	6,368
Police Ombudsman	8,825	9,061	9,763	9,471	10,213
NI Police Fund	1,447	1,457	1,407	1,371	1,446
RUC George Cross Foundation	116	91	(66)	129	188
Police Rehabilitation and Retraining Trust	1,626	1,619	1,709	1,733	1,748
Probation Board NI	17,695	18,722	20,207	22,186	21,653
Criminal Justice Inspection NI	1,027	1,049	1,081	1,127	1,126
Executive NDPBs total	727,476	733,080	784,859	817,119	841,176
Total Unringfenced Resource DEL	1,023,744	1,026,258	1,083,270	1,126,578	1,180,141
Total Ringfenced Resource DEL	59,320	62,759	66,980	77,675	80,567
Total Resource DEL	1,083,064	1,089,017	1,150,250	1,204,253	1,260,708
Capital DEL					
PSNI	28,726	43,954	49,150	52,471	56,097
NI Prison Service	23,239	35,910	18,501	11,151	9,013
Other	5,339	7,950	8,916	8,048	7,391
Total Capital DEL	57,304	87,814	76,567	71,670	72,501
Total Resource AME	264,625	590,867	437,927	336,239	307,240
Total Capital AME	-	-	-	-	-
Total Resource and Capital - DEL and AME	1,404,993	1,767,698	1,664,744	1,612,162	1,640,449
Reconciling items	(209,917)	(497,061)	(333,839)	(264,824)	(242,902)
Net Resource Outturn	1,195,076	1,270,637	1,330,905	1,347,338	1,397,547

FINANCIAL REVIEW (CONTINUED)

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 £384,750 (2020-21: £372,900) 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. During 2021-22 the C&AG issued one report relating to the Department - 'Continuous improvement arrangements in Policing 2020'. The relevant bodies across the Department will take forward the necessary work in relation to the recommendations made.

The Department attended a Public Accounts Committee (PAC) Evidence Session on 20 May 2021 in relation to the NIAO report 'Speeding Up Justice: Avoidable Delay in the Criminal Justice System' that was published in March 2018. The recommendations made by the PAC were finalised in April 2022 however, the Department has already implemented a series of measures to address the recommendations made in the NIAO report and will continue to deliver improvements to address the issues raised by the PAC. The *Criminal Justice (Committal Reform) Bill* became law in March 2022 and once fully implemented will reduce timescales and delay across the Justice System.

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 94.7% (2020-21: 93.6%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. The Department achieved an average of 97.7% (2020-21: 97.2%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

PERFORMANCE REPORT



Richard Pengelly CB
Accounting Officer

7 July 2022

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.

The Corporate Governance Report includes:

- Directors' Report;
- Non-Executive Board Members' 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 Outturn against Assembly Supply and supporting notes;
- Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

The Minister

Naomi Long MLA, as the Minister of Justice, has overall political responsibility and accountability for all of the Department's activities.

The Permanent Secretary

Richard Pengelly is the Permanent Secretary of the DoJ, following his appointment on 4 April 2022, replacing Peter May who had been in post for the 2021-22 financial year. He is the most senior civil servant in the Department and the Departmental Accounting Officer. The Permanent Secretary is also responsible for reviewing performance of the Non-Executive Board Members.

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 roughly every six weeks 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. The Board is supported by the Departmental Audit and Risk Committee and Strategic Resources Committee.

Membership of the Board at 31 March 2022 was as shown below:

Position	Member
Permanent Secretary	Peter May - Chair
Acting Director, Access to Justice	Glyn Capper
Director, Justice Delivery	Deborah Brown
Director, Reducing Offending	Ronnie Armour
Director, Safer Communities	Julie Harrison
Non-Executive Board Member	Colin Kennedy
Non-Executive Board Member	Dr Joanne McDowell

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

Declaring conflicts of interest is a standing agenda item at all Departmental Board and Board Committee meetings, no interests declared were deemed to conflict with Departmental business. In addition, an annual exercise is commissioned to all senior management, including Non-Executive Board Members (NEBMs), reminding them of their responsibilities in regard to declaring interests and requesting them to update their declaration of interests. A register of interests for Departmental Board members is available on the Department's website at [DoJ Board Register of Interests](#). No significant interests are currently held by Board members that may conflict with their management responsibilities.

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 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 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 learned, 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 are passed to the Complaints Officer to amend the Department's complaints procedure, and communicated to staff. There were 14 complaints recorded for the Core Department during 2021-22, seven of which were fully upheld, with another three being partially upheld. In instances where issues have been noted and lessons learned, these are taken forward by the relevant business area with a view to improving service delivery and maximising quality.

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

- in writing to: Department of Justice
Complaints Officer - Governance Unit
Corporate Engagement and Communications Division
Room B5.16, 5th Floor
Castle Buildings
Stormont Estate
Belfast BT4 3SG;
- by telephone: 028 9052 3731; or
- by e-mail: Governance.Unit@justice-ni.gov.uk.

Whistleblowing

The Department introduced a new Raising a Concern Policy in February 2022, which replaced the former Departmental Whistleblowing Policy. The purpose of the Raising a Concern Policy is to reassure staff that they can raise genuine concerns about potential wrongdoing or malpractice, in confidence, through a clear internal reporting process, without putting their position at risk. The policy also provides arrangements for anyone who is not a member of staff to raise concerns about the proper conduct of public business by the Department or any of its Agencies.

There were 10 whistleblowing concerns raised and investigated by the Department and its Agencies during 2021-22.

Fraud, anti-corruption and anti-bribery

The Department is committed to the values of probity and accountability that 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. Other than as outlined below for Legal Services Agency, there were two instances of suspected fraud reported within the Department during 2021-22 (2020-21: no cases). One case relates to the receipt of a counterfeit bank note in a Court Office and the other to an ongoing investigation being undertaken by another Department into irregularities identified during routine audits.

Legal Services Agency Northern Ireland (LSANI)

LSANI continues to seek opportunities to enhance its procedures in the area of prevention, detection and response to fraud with an emphasis upon procedures, controls and accountability from all staff in LSA and has recently implemented further changes.

During the period 1 April 2021 to 31 March 2022, LSA received 338 referrals (2020-21: 231) which were the subject of an initial fraud investigation. Of these referrals 51 of these persons were not in receipt of legal aid at the time of the initial investigation and were closed. The remaining 286 cases were subject to a full fraud investigation (2020-21:167) with 225 of these cases closed due to insufficient evidence to pursue a criminal investigation via the Police. The investigation into the remaining 61 cases is currently ongoing. 4 cases received prior to this reporting year remain under investigation which gives a current caseload of 65. The increase of 107 cases from 2020-21 reflects a decrease of referrals over the Covid pandemic and the return of investigations by Benefit Security Division (Department for Communities) after the lifting of restrictions. The categories under each heading in the tables below relate to the failure to fully declare the appropriate information or misrepresentation and relate to either the applicant or practitioner.

<u>Number of cases received</u>	Earnings	Capital	Co-habiting	Property	False Statement	Supplier	Other	Total
2021-22	175	53	28	12	18	33	19	338
2020-21	105	35	25	7	28	26	5	231
2019-20	223	48	23	4	35	27	4	364

Of the 65 cases outstanding at 31 March 2022, these are being investigated for evidence of criminality:

<u>Number of cases outstanding</u>	Earnings	Capital	Co-habiting	Property	False Statement	Supplier	Other	Total
At 31 March 2022	28	10	1	1	5	11	9	65
At 31 March 2021	23	15	1	1	11	8	5	64
At 31 March 2020	3	15	-	1	4	2	1	26

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 April 2021 and 31 March 2022. Details of these assessments are provided to the Department of Agriculture, Environment and Rural Affairs (DAERA) for publication in the Rural Needs Annual Monitoring Report 2021-22.

Corporate social responsibility

Corporate social responsibility (CSR) has been integrated as an important aspect of the Department's business. 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.

The Department has been hampered in its CSR efforts throughout the 2021-22 period by the ongoing Covid pandemic but has continued to promote staff wellbeing, diversity and inclusion. This has taken the shape of signposting staff to a bank of wellbeing resources. There is also a vast amount of information, links and resources available on an information hub within the Department's Intranet site, covering a variety of topics including mental and physical health and advice for line managers. The Department also published articles on specific wellbeing topics, including Menopause, Staff Welfare, Parenting and Fitness.

Corporate fundraising has continued albeit in a very different, virtual capacity. Some staff continue to arrange fundraising events locally. In December 2021, the Department supported a joint Family Appeal organised by the Salvation Army and St Vincent de Paul. More recently, the Department has urged staff to support the Disasters Emergency Committee, in response to the Ukraine crisis. A Departmental Charity Committee has been established to bring about a more focused approach to charitable work.

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 2021-22 was completed as scheduled by 31 March 2022 despite the presence of ongoing Covid-19 restrictions. To complement the inspection programme, the Department continues to monitor performance through the health and safety management checklist that is used at both a local and corporate level to improve the management of health and safety within the Department.

Covid-19 restrictions were introduced by the Government on 23 March 2020. In response, a detailed risk assessment process was introduced to cover DoJ premises. Control measures implemented are as follows:

- enhanced cleaning regimes;
- provision of sanitisation products;
- provision of personal protective equipment (PPE);
- social distancing floor/seating plans;
- informative signage;
- provision of screens in reception areas;
- regular checks by Premises Officers;
- staff/management updates; and
- monitoring/review of measures.

Current workplace restrictions have resulted in a large number of staff continuing to work from home. In order to meet the resulting legislative requirements, a working from home guidance document with associated self-risk assessment was issued to all staff for information, completion and return to management in 2020. Further reminders were issued to staff during the year.

Control measures introduced continue to work well and the processes are continually monitored and updated as and when government guidance dictates.

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 its Agencies. The purpose of the Forum is to promote consistency 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. It should be noted that face-to-face training for priority courses, such as First Aid, has now recommenced.

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's Asset Management Board has a work programme aimed at improving asset management practice, promoting collaboration and increasing efficiency. A Sustainability sub-group has been established to co-ordinate a joined-up approach within the Department to harness and build on much good work being done in the Agencies and Arm's Length Bodies (ALBs).

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;
- monitor lease agreements for rented properties to ensure value for money is achieved and in line with the Executive's Asset Management Strategy;
- on an annual basis, to oversee and support the commissioning and production of a Departmental Asset Management Plan;
- put in place a programme of work that identifies potential actions and projects which can enable the more effective and efficient operation of the property assets owned and/or funded by the Department and its ALBs, managing operational risk and achieving better justice outcomes;
- 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.

Records Management

The NICS Information Management Council, chaired by the DoJ Chief Information Officer, continues its work to standardise and improve information management activities across the NICS, including implementation of responses to the Renewable Heat Incentive Report and the Information Commissioner's Office (ICO) audit of NICS departments.

Despite the disruption caused by Covid-19, business areas continued to respond promptly to requests for information, and DoJ obtained overall compliance rates of 97% for Freedom of Information requests and 97% for 'subject access requests' under the Data Protection Act. In June 2021, the ICO provided DoJ with a "High" assurance rating following their audit of our Freedom of Information compliance.

The DoJ Data Protection Officer (DPO) issued guidance to assist staff with compliance on all aspects of the Data Protection Act and General Data Protection Regulations (GDPR). The DPO resolved 24 complaints during the period from members of the public in relation to how their personal data has been processed by the Department, and assisted with five formal ICO consultations on various legislative measures being sponsored by DoJ.

DoJ records management provided advice to a number of business areas including Victims' Payments Board in support of implementation of the Troubles Permanent Disablement Payment Scheme, Domestic Homicide Review, Advocacy Service for Domestic and Sexual Violence, Domestic Abuse Protection Notices and Orders, Operation Encompass and Tackling Paramilitarism.

Guidance to ensure that Department's records and information continues to be managed and protected while hybrid working is in place and has been issued to all staff. During the year, the DoJ ICT Business Continuity Planning (BCP) was tested and updated, and an Internal Audit Review of DoJ Core BCP provided a "Satisfactory" overall audit opinion.

NON-EXECUTIVE BOARD MEMBERS' REPORT

I am delighted to be asked to provide my first input to the Department's Annual Report and Accounts and to be able to support the Board in the delivery of its objectives. I took up my position in August 2021 and have been strongly supported in my role as Non-Executive Member on the Departmental Board by my fellow Non-Executive Member Dr Joanne McDowell.

Board effectiveness

The Departmental Board met seven times during the course of the year and is responsible for taking an objective long-term view of the business of the Department and leading its strategic planning process. To perform this role the Board considered on a quarterly basis the performance against the 2021-22 Departmental Business Plan as well as a quarterly consideration of the Corporate Risk Register. The Board further closely monitored the budget and resource allocations and ensured that appropriate governance arrangements are in place across the Department.

Departmental Audit and Risk Committee

I was appointed to the position of Chair of the Departmental Audit and Risk Committee (DARC) in August 2021. The DARC met four times over the course of the year, April 2021 to March 2022. Brigitte Worth and Graeme Wilkinson are the two Independent Members of the Committee, in place since 2020. The DARC also welcomed Dr Joanne McDowell as the new Deputy Chair in August 2021. The DARC welcomed the unqualified audit opinion for the Department's Accounts, and continued to be diligent in reviewing the Department's approach to risk management and financial controls.

Risk Management

I am pleased to note that the Departmental Board has continued to ensure effective risk management arrangements are in place and enhance risk management across the Department. The Board regularly reviewed individual risks listed on the Corporate Risk Register, with eight key corporate risks in place: Resources; Capability; Capacity; Covid-19; Accommodation; Collaboration; Community Confidence, and; Information.

Of particular concern has been the four 'red' risks that have been reflected on the register over the course of the year, namely Resources, Capability, Capacity and Covid-19. Of these risks three escalated to 'red' during the year, the Resources risk was escalated due to the likelihood of impending budget cuts which have been reflected in the draft budget 2022-25. Staffing supply issues in place across the Department has led to the Capability risk being escalated, while Covid-19 was escalated at a point, due to concerns with the Omicron variant, but this risk was subsequently de-escalated again later in the year.

While the Covid-19 pandemic continues to impact on the Department, I am pleased with how the Department has successfully implemented many new and innovative arrangements to deal with this ongoing event and maintained an effective service delivery under unprecedented circumstances. The Department has also continued to manage successfully other significant issues throughout the year such as EU Exit and the Troubles Permanent Disablement Payment Scheme.

I have enjoyed my short time in office and look forward to continuing to develop a good working relationship with my fellow Non-Executive Board member, all other Board members and those within the wider Department throughout the forthcoming year.

Colin Kennedy
Chair, Departmental Audit and Risk Committee

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, 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 that 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 2021-22, the Department complied with the Corporate Governance Code. The key organisational structures that 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 seven meetings of the Board during 2021-22:

Position	Member	Attendance
Permanent Secretary	Peter May - Chair	7/7
Director, Access to Justice	Anthony Harbinson (April to July 2021)	2/2
	Glyn Capper (from July 2021)	4/5
Director, Justice Delivery	Deborah Brown	6/7
Director, Reducing Offending	Ronnie Armour	7/7
Director, Safer Communities	Julie Harrison	4/7
Non-Executive Board Member	Clarke Black (April to July 2021)	3/3
Non-Executive Board Member	David Brown (April to July 2021)	3/3
Non-Executive Board Member	Colin Kennedy (from August 2021)	3/4
Non-Executive Board Member	Dr Joanne McDowell (from August 2021)	4/4

Conflicts of Interest

During 2021-22, no declared interests were deemed to conflict with the overall conduct of Departmental business.

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. 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 Board Member of the Departmental Board and membership is made up of three other members (two of which are Senior Civil Servants from other Civil Service Departments). Other DARC attendees may include the Department's Directors together with representatives from the Northern Ireland Audit Office (NIAO), Internal Audit, Financial Services Division and Corporate Engagement and Communications Division.

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; and
- information assurance report.

Attendance by members is shown below for the four meetings of the Committee during 2021-22:

Position	Member	Attendance
Non-Executive Board Member	Clarke Black - Chair (April to July 2021)	1/1
Non-Executive Board Member	David Brown (April to July 2021)	1/1
Non-Executive Board Member	Colin Kennedy - Chair (from August 2021)	3/3
Non-Executive Board Member	Dr Joanne McDowell - Deputy Chair (from August 2021)	3/3
Independent Member	Brigitte Worth - Senior Civil Servant in Department of Health	4/4
Independent Member	Graeme Wilkinson - Senior Civil Servant in Department for the Economy	3/4

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 that face the Department and bringing forward relevant recommendations on key resource strategies and decisions to the Departmental Board for discussion and ratification. Where appropriate, recommendations will be made to the Minister (through the Departmental Board);
- 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 management across the Department and enabling standards to be agreed and applied within the Department and its Arm's Length Bodies;
- ensuring there is a co-ordinated approach to HR management across the Department including oversight of the Departmental Strategic Workforce Plan and to provide a forum for ensuring that HR resources are allocated in line with business needs;
- enhancing the quality, standard and accuracy of resourcing plans, projections and management within the Department and its Arm's Length Bodies;
- providing a forum for senior management to discuss resourcing matters and to 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; and
- monitoring performance against targets at strategic level and advising such action as 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 and effective cost control; and
- planning for the 2022-25 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 five meetings of the Committee during 2021-22:

Position	Member	Attendance
Permanent Secretary	Peter May - Chair	5/5
Director, Access to Justice	Anthony Harbinson (April to July 2021)	1/1
	Glyn Capper (from July 2021)	4/4
Director, Justice Delivery	Deborah Brown	5/5
Director, Reducing Offending	Ronnie Armour	5/5
Director, Safer Communities	Julie Harrison	3/5
Non-Executive Board Member	Clarke Black (April to July 2021)	1/1
Non-Executive Board Member	David Brown (April to July 2021)	1/1
Non-Executive Board Member	Colin Kennedy (from August 2021)	4/4
Non-Executive Board Member	Dr Joanne McDowell (from August 2021)	3/4
Deputy Director, Finance	Lisa Rocks (April to August 2021)	0/2
Deputy Director, Finance	Maryann Smith (from September 2021)	2/2

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 covering the Internal Audit arrangements have been agreed between DoF and the Department. Data Sharing Agreements are also in place to ensure compliance with GDPR.

Information Risk Owners Council (IROC)

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/Data Protection Officer attends ex-officio, as his 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 Department'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.

Information assurance

The Incident Reporting Policy was updated following review, allowing minor, low risk incidents to be handled in-house by business areas with only major incidents being reported to the Information Security (IS) Team. For such incidents the business area must record the detail required by the European Data Protection Board and be able to produce this detail when requested by the IS Team or the ICO.

92 minor incidents were recorded in-house by business areas and 12, more serious incidents, were formally reported to the IS Team in 2021.

No new incidents were reported to the ICO during 2021. One incident, which was reported in 2020 and two incidents reported during 2019, have been closed by the ICO with no penalty against DoJ.

The Information Assurance risk register continues to be reviewed at every meeting of the Departmental IROC and the Chief Information Officer presents a report for discussion covering all 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.

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.

The risks identified and monitored through the Corporate Risk Register during the year included:

- Resources;
- Capability;
- Capacity;
- Covid-19;
- Accommodation;
- 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 maintained during the course of this year and issues included:

- EU Exit;
- Legacy;
- Response to the Covid-19 pandemic;
- Implementation of the Troubles Permanent Disablement Payment Scheme;
- Damage to the main building used by FSNI; and
- Domestic Abuse and Civil Proceedings Act - Legal Aid Provisions.

Although the Covid-19 pandemic has continued to be 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 that 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.

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.

6. Budget position

The Assembly passed the *Budget Act (Northern Ireland) 2022* in March 2022 which authorised the cash and use of resources for all departments for the 2021-22 year, based on the Executive's final expenditure plans for the year. The *Budget Act (Northern Ireland) 2022* also included a Vote on Account which authorised departments' access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete for the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the *Northern Ireland Act 1998* and Section 7 of the *Government Resources and Accounts Act (Northern Ireland) 2001* will be used to authorise the cash, and the use of resources during the intervening period.

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.

7.1 Legal Services Agency Northern Ireland (LSANI)

The C&AG qualified the 2021-22 financial statements of LSA in respect of:

- the level of estimated official and applicant error in legal aid payments and a limitation in scope on the regularity of legal aid payments in the period - due to the Agency being unable to provide sufficient evidence to assure NIAO that material fraud and error by legal aid claimants and legal practitioners did not exist within eligibility assessments of legal aid applicants and in expenditure from legal aid funds; and
- a limitation in scope regarding the true and fair view of the balance of provisions for legal aid liabilities in the financial statements - LSA was unable to provide sufficient evidence to support management information used to determine a number of key assumptions and judgements it used to estimate the full provision and the resulting adjustments required to the annual legal aid expenditure.

LSA has continued with a work programme to address these qualifications and has been taking this forward in conjunction with both DoJ and DfC. A number of the changes required will continue to span a period of financial years.

Regularity of expenditure

Official error

A Memorandum of Understanding was established, from April 2017, with the Department for Communities (DfC), to measure official error rates. 2019 represents the first full year of testing under the agreed methodology, however during 2020 taxed cases (and expenditure) was removed upon receipt of legal advice. Thus, 2019 is not comparable with subsequent years and 2020 will act as a benchmark for future years. The outcomes for 2019 to 2021 calendar years are set out below.

7.1 Legal Services Agency Northern Ireland (LSANI) (continued)

Official error (continued)

<u>2021</u>	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
Total error	£1,924,466	£1,362,282	£2,486,649
Overpayments	£1,009,285	£502,270	£1,516,299
Underpayments	£915,181	£645,234	£1,185,128
Total excluding deemed errors	£1,692,157	£1,144,102	£2,240,212

<u>2020</u>	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
Total error	£5,573,318	£2,067,580	£9,079,055
Overpayments	£4,356,128	£917,643	£7,794,614
Underpayments	£1,217,189	£459,342	£1,975,037
Total excluding deemed errors	£3,999,730	£2,458,145	£5,541,316

<u>2019</u>	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

For 2021, a sample of 911 cases (2020: 695) was independently assessed by DfC and the amount of legal aid estimated to have been paid incorrectly due to official error was projected at £1,924,466 (4.3%) over the review period (2020: £5,573,318 (14.9%)). Looking at the confidence intervals, the true amount paid incorrectly is likely to lie within the range £1,362,282 to £2,486,649 (3.0% to 5.5%) (2020: £2,067,580 to £9,079,055 (5.5% to 24.3%)).

The overall amount estimated to have been paid incorrectly due to official error is £1,924,466 (4.3%) (2020: £5,573,318 (14.9%)); this is the combination of the estimated value of overpayments, £1,009,285 (2.2%) (2020: £4,356,128 (11.7%)) and that of underpayments, £915,181 (2.0%) (2020: £1,217,189 (3.3%)). 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 £94,104 (2020: £3,138,939).

7.1 Legal Services Agency Northern Ireland (LSANI) (continued)

Official error (continued)

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 £1,692,157 (3.7%) (£1,144,102 to £2,240,212) over the review period (2020: £3,999,730 (10.7%) (£2,458,145 to £5,541,316)).

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 the Legal Aid Management System (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 Agency'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.

Applicant fraud and error

The methodology for addressing applicant fraud and error, through home visits to Assisted Persons, was first implemented during 2019-20. However this work had to cease due to the Covid-19 restrictions and recommenced for samples drawn from January 2021, delivered on a remote basis. The major difference with applicant testing, compared with official error testing, is contained within the cases that are eligible for testing. As applicant testing focuses on the financial eligibility of applicants, the majority of legal aid cases (and expenditure) were ruled out-of-scope. Primarily, this covered civil cases where a financial eligibility test was not undertaken (including cases where the applicant was a minor and those applicants on a passport benefit for the duration of their case) and all criminal cases where LSANI is not responsible for determining the financial eligibility of individuals. This should be considered when interpreting the percentages quoted below.

For 2021, a sample of 500 cases was independently assessed by DfC and the amount of legal aid estimated to have been paid incorrectly due to applicant fraud and error was projected at £1,321,698 (32.1%) over the review period. Looking at the confidence intervals, the true amount paid incorrectly is likely to lie within the range £809,533 to £1,833,863 (19.6% to 44.5%).

Over half of the fraud and error identified was due to non-compliance of applicants who were not compelled to take part in the review by DfC. When non-compliance is excluded, the amount of legal aid estimated to have been paid incorrectly reduces to £569,069 (13.8%) over the review period. Looking at the confidence intervals, the true amount paid incorrectly (excluding non-compliance) is likely to lie within the range £93,400 to £1,044,739 (2.3% to 25.3%).

7.1 Legal Services Agency Northern Ireland (LSANI) (continued)

Applicant fraud and error (continued)

2021	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
Total applicant fraud and error	£1,321,698	£809,533	£1,833,863
Excluding non-compliance	£569,069	£93,400	£1,044,739

While testing for applicant fraud and error once a case is closed mirrors the approach taken in official error testing and provides the best opportunity to get a true picture of continued financial eligibility, it also means the Agency has no power to compel applicant compliance.

In turn, while the methodology applied in 2021 has provided an estimate of applicant fraud and error, the Agency is limited in the action it can take to reduce this rate, due to Assisted Persons not having to co-operate or provide information to the Agency once a case has closed.

For this reason, in May 2022, DfC commenced testing of live cases to review ongoing financial eligibility of individuals who remain in receipt of civil legal aid, mitigating against non-compliance issues. This work is termed Future Overpayment Prevention (FOP) and will not only allow the level of fraud and error to be established and monitored, but will also allow actions to be put in place to reduce it.

The Agency is also designing and introducing intermittent checks in ongoing cases to prove continuing financial eligibility.

Considerable work has been undertaken in year to develop more extensive access for the Agency to HMRC and DfC tax and benefit information which will improve financial eligibility assessment and drive down error. While some progress has been made this has highlighted the need for legal gateways to enable usage and discussion is ongoing as to the means to develop a legislative vehicle to take this forward.

The Agency ran a pilot on practitioner error and fraud calling in a number of practitioner files and undertaking a verification review in relation to the means, merits and payment. The lessons from the pilot will inform ongoing reviews of practitioner error in 2022. DfC will commence independent measurement of practitioner error and fraud in 2023.

Provisions

The Agency continues to work with 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 and associated auto-closure functionality has greatly enhanced the ability of the Agency to identify the relevant cases and calculate robust average costs. The Qlik reporting tools provides underlying reporting from the system so eliminating much of the intensive manual work previously conducted.

The LAMS based methodology has continued to be refined during 2021-22. A body of work has been conducted during 2021-22 to address inactive migrated cases and further work is planned for 2022-23 including introducing a systemic review of inactive cases with the principle aim being to fully address and remove this part of the qualification.

7.2 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:

- Continuous improvement arrangements in Policing 2020 - October 2021;
- Managing children who offend: follow up report - December 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; 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.

The Department attended a PAC Evidence Session on 20 May 2021 in relation to the NIAO report 'Speeding Up Justice: Avoidable Delay in the Criminal Justice System' that was published in March 2018. The recommendations made by the PAC were finalised in April 2022 however, the Department has already implemented a series of measures to address the recommendations made in the NIAO report and will continue to deliver improvements to address the issues raised by the PAC. The *Criminal Justice (Committal Reform) Bill* became law in March 2022 and once fully implemented will reduce timescales and delay across the Justice System.

Legal Services Agency NI provides a written update of progress against recommendations from the Managing Legal Aid report to the PAC on a six monthly basis. Two written updates were also provided to the Justice Committee during 2021-22 covering the Agency's ongoing work programme to address the NIAO qualifications. These updates highlighted the causes of error and focused on changes to legislation, policies, processes and behaviours of staff and the profession in working towards having this qualification removed.

7.3 Priority 1 recommendations from Internal Audit

In 2021-22, there were thirty-five satisfactory reports and one limited report issued across 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.

8. 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 2021-22 year, an overall satisfactory assurance was provided.

The Department has maintained a framework of control to ensure that there are sufficient control processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control. I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support the Department of Justice in delivering its statutory duties and to meet the aims and objectives set by the Minister, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in Managing Public Money Northern Ireland.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS) in the NICS, is approved by the Minister of Finance. The Minister set the 2021-22 NI public sector pay policy (March 2021).

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay awards for NICS staff, including SCS, for 2020-21 were paid in June and July 2021. The pay awards for 2021-22 were paid in September and October 2021.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum 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 consideration of 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.

Colin Kennedy was appointed as a Non-Executive Member of the Departmental Board on 2 August 2021 for a three-year period. He is also the Chair of the Departmental Audit and Risk Committee (DARC). Dr Joanne McDowell was also appointed as a Non-Executive Member of the Departmental Board on 2 August 2021 for a three-year period. Non-Executive Board Members may terminate the appointment by providing one month's notice in writing.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the Department.

Remuneration and pension entitlements - Minister

[Audited information]

Single total figure of remuneration

Ministers	2021-22				2020-21			
	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	38,000	-	12,000	50,000	38,000	-	15,000	53,000

* 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	2021-22			
	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Peter May Permanent Secretary	135-140	-	54	190-195
Anthony Harbinson Director, Access to Justice (until 25 July 2021)	35-40 (full year equivalent 105-110)	-	17	50-55
Glyn Capper Acting Director, Access to Justice (from 26 July 2021)	60-65 (full year equivalent 95-100)	-	52	115-120
Deborah Brown Director, Justice Delivery	95-100	-	44	140-145
Ronnie Armour Director, Reducing Offending	100-105	-	56	160-165
Julie Harrison Director, Safer Communities	105-110	-	42	145-150
Clarke Black Non-Executive Board Member (until 31 July 2021)	0-5	0.3	-	0-5
David Brown Non-Executive Board Member (until 31 July 2021)	0-5	0.3	-	0-5
Colin Kennedy Non-Executive Board Member (from 2 August 2021)	5-10	0.3	-	5-10
Dr Joanne McDowell Non-Executive Board Member (from 2 August 2021)	5-10	0.4	-	5-10

* 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 (continued)

[Audited information]

Single total figure of remuneration

Officials and Non-Executive Members	2020-21			
	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Peter May Permanent Secretary	130-135	-	34	165-170
Anthony Harbinson Director, Access to Justice**	105-110	-	41	145-150
Glyn Capper Acting Director, Access to Justice** (from 6 May until 2 August 2020)	20-25 (full year equivalent 90-95)	-	25	45-50
Deborah Brown Director, Justice Delivery	95-100	-	94	185-190
Ronnie Armour Director, Reducing Offending	100-105	-	70	170-175
Julie Harrison Director, Safer Communities	100-105	-	47	150-155
Clarke Black Non-Executive Board Member	10-15	0.3	-	10-15
David Brown Non-Executive Board Member (from 1 April 2020)	10-15	0.7	-	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.

** Mr Anthony Harbinson was seconded to the NI Covid-19 Hub as Acting Chief of Staff from March to July 2020. In line with the guidance from DoF on the budgetary treatment of short-term loans of staff of up to six months within the civil service, the salary costs for Mr Harbinson were borne in full by the Department of Justice. Mr Capper was temporarily promoted to Acting Director of Access to Justice for a period during the secondment of Mr Harbinson.

Remuneration and pension entitlements - Officials (continued)***Salary***

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by the Department of Justice and thus recorded in these accounts.

The Department of Justice was under the direction and control of Naomi Long MLA during the financial year. Her salary and allowances were paid by the Department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA, which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

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

Fair pay disclosures

Pay ratios

[Audited information]

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

The banded remuneration of the highest-paid director in the Department in the financial year 2021-22 was £135,000 to £140,000 (2020-21: £125,000 to £130,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

	2021-22		
	25 th percentile	Median	75 th percentile
Total remuneration (£)	25,211	29,307	37,835
Pay ratio	5.5:1	4.7:1	3.6:1

	2020-21		
	25 th percentile	Median	75 th percentile
Total remuneration (£)	25,380	28,730	36,358
Pay ratio	5.0:1	4.4:1	3.5:1

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.

For 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2021-22, three employees (2020-21: three) received remuneration in excess of the highest paid director.

Remuneration ranged from £15,000 to £195,000 (2020-21: £16,000 to £164,000 (restated)).

Fair pay disclosures (continued)**Percentage Change in Remuneration***[Audited information]*

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- salary and allowances; and
- performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Department are shown in the following table.

Percentage change for:	2021-22 v 2020-21
Average employee salary and allowances	(0.6%)
Highest paid director's salary and allowances*	7.8%
Average employee performance pay and bonuses**	(87.3%)

* *The calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.*

** *The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021. Bonuses continue to be paid to NIPS operational staff.*

Pension entitlements – Minister

[Audited information]

	Accrued pension at pension age as at 31/3/22 £000	Real increase in pension at pension age £000	CETV* at 31/3/22 £000	CETV at 31/3/21 £000	Real increase in CETV £000
Naomi Long MLA	0-5	0-2.5	32	22	6

* Cash Equivalent Transfer Value

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) 2011* establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. The tenure of the first Panel ended in July 2016. As a consequence of the Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022, therefore, the legislation and appointment of the Panel will be taken forward during the next mandate.

In April 2016 the Independent Financial Review Panel (IFRP) issued *The Assembly Members (Pensions) Determination (Northern Ireland) 2016* which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Assembly Members aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgment found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgment could have an impact on Members who missed out on the Transitional Protection policy in the AMPS because of their age. However the applicability of, and approach to, the McCloud judgment in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new panel is appointed.

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. Up to the 6 May 2021, those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. 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.

Pension entitlements - Minister (continued)

Following the publication of the triennial valuation of the AMPS by the Government Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. 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.

The cash equivalent transfer value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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.

The 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 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22**	CETV at 31/3/21*	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	£000
Peter May Permanent Secretary	65-70 plus 75-80 lump sum	2.5-5 plus 0-2.5 lump sum	1,323	1,217	34	-
Anthony Harbinson Director, Access to Justice (until 25 July 2021)	50-55 plus 155-160 lump sum	0-2.5 plus 2.5-5 lump sum	1,231	1,179	18	-
Glyn Capper Acting Director, Access to Justice (from 26 July 2021)	30-35 plus nil lump sum	2.5-5 plus nil lump sum	428	375	32	-
Deborah Brown Director, Justice Delivery	30-35 plus 50-55 lump sum	2.5-5 plus 0-2.5 lump sum	488	436	25	-
Ronnie Armour Director, Reducing Offending	55-60 plus 125-130 lump sum	2.5-5 plus 0-2.5 lump sum	1,115	1,017	40	-
Julie Harrison Director, Safer Communities	5-10 plus nil lump sum	0-2.5 plus nil lump sum	68	36	23	-

* Or date of joining if later.

** Or date of leaving if earlier.

No pension benefits are provided to the Non-Executive Board 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 initially 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 members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) 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 (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period.

Pension entitlements - Officials (continued)

The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts, which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

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%.

Currently 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 who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

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).

Active members of the pension scheme will receive an Annual Benefit Statement. 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. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

Pension entitlements - Officials (continued)

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 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 to 31 March 2023 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution Rates - all members
From	To	
£0	£24,449.99	4.60%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

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.

Compensation for loss of office

There were no compensation benefits paid by the Department to any senior staff members during the financial year (2020-21: £Nil).

STAFF REPORT

Staff costs

Staff costs for the Core Department and its Agencies comprise:

[Audited information]

Core Department and Agencies

	Permanently Employed *Staff	Others	Minister	2021-22	2020-21
				£000	£000
				Total	Total
Wages and salaries	114,570	4,724	38	119,332	117,258
Social security costs	12,205	7	5	12,217	12,230
Other pension costs	31,093	13	6	31,112	31,079
Total Gross Costs	157,868	4,744	49	162,661	160,567
Less recoveries in respect of outward secondments	(202)	-	-	(202)	(310)
Total Net Costs	157,666	4,744	49	162,459	160,257

Of which:

	Charged to	Charged to	Sub-total	Charged to	2021-22
	Admin- istration	Programme	Charged to SCNE	Capital Projects	£000 Total
	Note 5	Note 6	Note 3		
Core Department	18,186	7,621	25,807	180	25,987
Agencies	9,689	125,747	135,436	1,238	136,674
Total Gross Costs	27,875	133,368	161,243	1,418	162,661

	Charged to	Charged to	Sub-total	Charged to	2020-21
	Admin- istration	Programme	Charged to SCNE	Capital Projects	£000 Total
	Note 5	Note 6	Note 3		
Core Department	17,942	5,638	23,580	151	23,731
Agencies	10,098	125,903	136,001	835	136,836
Total Gross Costs	28,040	131,541	159,581	986	160,567

* Permanently employed staff includes the cost of the Department's Special Adviser. The holder of this post during 2020-21 and 2021-22 was paid within Pay-band 1 (up to £54,999 per annum) in line with the Special Adviser Code, as agreed by the Executive on 20 January 2020.

Staff costs (continued)

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 *Public Service Pensions Act (NI) 2014* provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

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 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations, which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the *Public Service Pensions and Judicial Offices Bill (PSP&JO)* to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £31,603,153 were payable to the NICS pension arrangements (2020-21: £30,631,537) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £28,209 (2020-21: £28,140) 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% (2020-21: 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.

Staff costs (continued)

Employer contributions of £1,163; 0.5% (2020-21: £1,928; 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.

34 persons (2020-21: 12 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £61,598 (2020-21: £25,891).

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*), the *Judicial Pensions Regulations 2015* and the *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 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 excepted fee-paid and devolved salaried Judicial Office Holders sponsored by DoJ. The employer contribution rate during 2021-22 was 51.35%. This comprised the rate of 51.1% recommended by the GAD plus 0.25% of pensionable pay to reflect the cost of scheme administration paid to the Ministry of Justice (MoJ).

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.

Provision for the excepted fee paid judicial office holders' pension entitlement is recognised in the MoJ JPS Accounts. Accordingly, NICTS accounts for employer contributions payable to the JPS for eligible fee paid judicial office holders as they are incurred.

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 £1.488m at 31 March 2022 (2020-21: £1.453m) as detailed in Note 16.

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	2021-22	2020-21
					Total	Total
Safer Communities	312	9	-	-	321	302
Access to Justice	762	114	-	-	876	828
Reducing Offending	1,751	11	-	-	1,762	1,790
Justice Delivery	438	30	1	1	470	372
Total	3,263	164	1	1	3,429	3,292
Of which:						
Core Department	496	13	1	1	511	416
Agencies	2,767	151	-	-	2,918	2,876
Total*	3,263	164	1	1	3,429	3,292

* Of the total, 23 members of staff (2020-21: 23) were engaged on capital projects.

Staff composition

The number of persons employed at 31 March 2022 by the Core Department and its Agencies was as follows:

	Female staff	Male staff	Total staff
Departmental Board	3	4	7
Senior Civil Service	14	14	28
Departmental employees	1,834	1,689	3,523

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

	Total staff
Pay Scale 1 - £74,912 to £84,122	23
Pay Scale 2 - £96,170 to £107,566	4
Pay Scale 3 - £124,282 to £141,866	1
Pay Scale 4 - £167,829 to £192,057	-

Managing attendance

The Department had an overall sickness absence rate of 18.5 days lost per employee in 2021-22 (2020-21: 13.5 days). Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2021/22” report at [Sickness Absence in the Northern Ireland Civil Service 2021/22 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/publications/sickness-absence-in-the-northern-ireland-civil-service-2021-22). Figures for the 2021-22 financial year were published on 28 June 2022.

NICS HR (which is the NICS centralised human resources function that falls under the responsibility of DoF) provides a detailed report to the Departmental 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

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of NICS recruitment panels. Unconscious bias training is available to all staff.

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support adjustments to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and one of its Deputy Secretaries is the NICS Diversity Lead for Disability. The NICS has a Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. During 2021-22, the NICS established a Disability Staff Network. This Network plays a key role in promoting disability equality and inclusion across the NICS.

The NICS undertakes outreach activities to promote career opportunities to the disability sector and offers a Work Experience Scheme for People with Disabilities and participates in the annual International Job Shadow Day. In 2021-22, the NICS offered a number of work experience opportunities under the JobStart Scheme.

In 2021-22, the NICS implemented a Guarantee Interview Scheme.

Staff diversity, inclusiveness and equality

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 that has developed a cross-departmental work programme with commitments to be delivered both corporately and within individual departments.

During 2021-22, the Department, along with justice partners engaged with the virtual Belfast Pride and Mela festivals by providing information to raise awareness of the important work of the Department and its Agencies. The Department’s on-line contribution included information on themes such as domestic abuse and violence, hate crime, modern day slavery and human trafficking. The annual Christmas Charity Appeal for 2021 supported the ‘Family Appeal’ run jointly by the Salvation Army and St Vincent de Paul. Due to the Covid-19 pandemic, this year has proved much more difficult for some people with the added pressures of being confined to home and perhaps having lost a job. This Appeal sought to support families in particular need.

Staff diversity, inclusiveness and equality (continued)

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

That is supported through leadership by the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICS HR, as well as through partnership working with stakeholder organisations.

Equality is a cornerstone consideration in the development and review of all HR policies that determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The NICS commitment to equality of opportunity is outlined in its [Equality, Diversity and Inclusion Policy](#).

Covid-19 has impacted on the capacity of the Department to deliver a programme of Diversity and Inclusion events over 2021-22 particularly in the first half of the year. However, the Department has been working with the Get Real project, based in NIACRO to deliver two on-line sessions on Cultural Awareness and Cultural Competency. This has been targeted in the first instance to front line staff in NIPS who work with a range of people of different nationalities. There has been a great deal of interest in the training that has also been delivered in Probation Board for Northern Ireland and the PSNI.

As part of the NICS efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of [NICS human resource statistics](#). The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI, both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The findings are published in the NICS [Article 55 and Gender Reviews](#). The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available at [Department of Justice](#).

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. NIPS administrative staff have also migrated to HR Connect and NIPS have further considered the migration of Officers to HR Connect. At present, the migration of the officers' records and services will not be moving forward. A new four-year support contract has been established for the existing HR ICT System to give NIPS time to consider the future for HR services for Officers.

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

The Department of Finance (DoF) is responsible for the NICS Industrial Relations Policy. NICS HR consults on HR policy with all recognised Trade Unions and local Departmental arrangements are in place to enable consultation on matters specific to the Department or within individual business areas.

Staff engagement

Initiatives to support staff continued to be impacted by the pandemic and the challenge of a large number of staff working remotely. However, a number of actions were advanced to support staff engagement in conjunction with an Internal Communications Forum and a Staff Engagement Forum that involve representatives from across the Core Department and its Agencies including:

- Senior Management Q&A sessions that were available to staff (on-line);
- Delivery of sessions as part of a Leadership and Wellbeing Toolkit programme;
- Promotion of support and wellbeing resources available on-line;
- Circulation of regular health/wellbeing messages to Wellbeing Champions across the Department for dissemination to staff within their respective business areas;
- Regular emails from the Charity for Civil Servants to staff on their mailing list which includes invitations to webinars on a range of wellbeing topics;
- Promotion of a number of webinars on a variety of topics relating to mental and physical health and remote working;
- Two on-line sessions available to all Grade 6 and Grade 7 staff designed to promote resilience and reconnection;
- Rollout of 'DoJ Familiarisation' sessions to new staff joining the Department; and
- A refocus on effective internal communication tools, redesigned/rebranded staff communications, with regular staff update emails and an e-zine.

In 2022-23, a key focus will be communications around implementation of the new Hybrid Working Policy and engaging with staff on the practical implications of the new policy as well as continuing to promote health and wellbeing resources.

Staff engagement scores

The 2021 NICS People Survey was conducted by NISRA (Northern Ireland Statistics and Research Agency) across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey, except for NIPS operational grade staff. NIPS operational grade staff were not included given the specific nature of their role and that it would be more appropriate for the NIPS to have bespoke arrangements for capturing views from operational staff that would inform local priorities.

Within the DoJ, 2,323 staff (2020: 3,378) were invited to complete the survey, of which 1,075 (2020: 1091) individuals participated, including temporary/agency workers; a response rate of 48% (2020:31%) excluding temporary/agency workers, an increase of 15 percentage points on 2020.

The Employee Engagement Index (EEI) is the weighted average of responses to the five employee engagement questions, and it ranges from 0% to 100%. DoJ responses indicated an EEI of 57% (2020: 55%), compared to the NICS average of 57% (2020: 55%). Details of the Benchmark Scores can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICS HR. Since the Covid-19 pandemic, alternative learning delivery channels (including on-line, webinars) have provided continuous, flexible access to learning. Coherent learning pathways are aligned to both corporate/individual need and the NICS Competency Framework. Staff are advised regularly of learning and development opportunities and line managers were also encouraged to have discussions with staff on potential for learning and development interventions as part of the performance review process.

The NICS also offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, temporary promotion, job rotation and job shadowing to support the development of staff.

In 2022-23, a focus will remain on promoting Learning and Development opportunities to all staff and, in particular, consideration of what additional tailored interventions might be made available to support development of staff at all grades across the Department.

Staff turnover

The Departmental Turnover percentage (the total number of people that have left the Department including those who have moved within the NICS) for 2021-22 is 9.6%, and the General Turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 6.7%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Core Department and Agencies	2021-22 %	2020-21 %
Departmental Turnover	9.6%	6.4%
General Turnover	6.7%	3.2%

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'.

Temporary off-payroll worker engagements as at 31 March 2022:

	Core Department	Agencies	Total
Number of existing engagements as of 31 March 2022	2	25	27
<i>Of which have:</i>			
Existed for less than one year at time of reporting	-	6	6
Existed for between one and two years at time of reporting	1	-	1
Existed for between two and three years at time of reporting	-	-	-
Existed for between three and four years at time of reporting	-	-	-
Existed for four or more years at time of reporting	1	19	20

All temporary off-payroll workers engaged at any point during the year ended 31 March 2022:

	Core Department	Agencies	Total
Number of off-payroll workers engaged during the year ended 31 March 2022	3	25	28
<i>Of which:</i>			
Number determined as out-of-scope of IR35	3	25	28
Number determined as in-scope of IR35	-	-	-
Number of engagements reassessed for compliance or assurance purposes during the year	-	-	-
<i>Of which: Number of engagements that saw a change to IR35 status following review</i>	-	-	-
Number of engagements where the status was disputed under provisions in the off-payroll legislation	-	-	-
<i>Of which: Number of engagements that saw a change to IR35 status following review</i>	-	-	-

Expenditure on consultancy

[Audited information]

In 2021-22, the Department paid £17,917 (2020-21: £8,700) 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

Exit package cost band	2021-22			2020-21
	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
below £10,000	-	-	-	-
£10,000 - £25,000	-	-	-	-
£25,001 - £50,000	-	-	-	1
£50,001 - £100,000	-	2	2	1
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
over £200,000	-	-	-	-
Total number of exit packages	-	2	2	2
Total resource cost £	-	£117,678	£117,678	£103,609

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 Outturn against Assembly Supply (SOAS)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (*FReM*) requires the Department of Justice to prepare a Statement of Outturn against 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 (SOAS 1); a reconciliation of Outturn to Net Expenditure in the SCNE, to tie the SOAS to the financial statements (SOAS 2); a reconciliation of Net Resource Outturn to Net Cash Requirement (SOAS 3); an analysis of income payable to the Consolidated Fund (SOAS 4); a reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (SOAS 5); and detail on non-operating income - excess accruing resources (SOAS 6).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the Financial Review section of the Performance Report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available from:

<https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The Financial Review, in the Performance Report, provides a summarised discussion of Outturn against Estimate and functions as an introduction to the SOAS disclosures.

Key to information presented in the Statement of Outturn against Assembly Supply:

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

The notes on pages 97 to 149 form part of these Accounts.

Summary tables - mirror Part II and III of the Estimates

Summary Table 2021-22 - all figures presented in £000

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2020-21
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total	
Request for Resources A	SOAS 1	1,457,618	(60,071)	1,397,547	1,674,352	(68,039)	1,606,313	208,766	1,347,338
Total Resources	SOAS 2	1,457,618	(60,071)	1,397,547	1,674,352	(68,039)	1,606,313	208,766	1,347,338
Non-operating Accruing Resources				-			-	-	-

Net Cash Requirement 2021-22 - all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2020-21
Net Cash Requirement	SOAS 3	1,391,486	1,447,848	56,362	1,314,703

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

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 2021-22		Outturn 2021-22	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Total amount payable to the Consolidated Fund	SOAS 4	8,000	8,000	5,897	5,740

The notes on pages 97 to 149 form part of these Accounts.

Notes to the Statement of Outturn against Assembly Supply 2021-22 - all figures presented in £000

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

SOAS 1 Outturn detail by Estimate line

Type of spend	Resource Outturn						Estimate			Outturn vs Estimate (including virements) saving/ (excess)	Prior Year Outturn Total 2020-21
	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	-	15,422	-	15,422	(10,771)	4,651	4,261	390	4,651	-	4,699
Access to Justice Directorate	8,562	4,580	2,655	15,797	(4,210)	11,587	12,517	-	12,517	930	11,193
Compensation Services	-	1,577	-	1,577	(37)	1,540	1,805	-	1,805	265	1,378
Safer Communities Directorate	9,700	15,406	4,374	29,480	(3,935)	25,545	28,327	(1,522)	26,805	1,260	23,678
Northern Ireland Prison Service	12,762	113,561	2,204	128,527	(7,382)	121,145	126,426	-	126,426	5,281	127,175
Youth Justice Agency	-	15,309	-	15,309	(109)	15,200	15,573	-	15,573	373	15,234
Northern Ireland Courts and Tribunals Service	6,210	80,533	-	86,743	(32,603)	54,140	55,587	-	55,587	1,447	52,318
Legal Services Agency Northern Ireland	-	11,342	-	11,342	(1,024)	10,318	9,186	1,132	10,318	-	7,749
Total spending in DEL	37,234	257,730	9,233	304,197	(60,071)	244,126	253,682	-	253,682	9,556	243,424
<u>Annually Managed Expenditure (AME)</u>											
Northern Ireland Prison Service	-	4,203	-	4,203	-	4,203	87,210	-	87,210	83,007	1,642
Youth Justice Agency	-	(237)	-	(237)	-	(237)	240	-	240	477	(48)
Access to Justice Directorate	-	(2,411)	-	(2,411)	-	(2,411)	900	-	900	3,311	2,030
Compensation Services	-	1,560	-	1,560	-	1,560	24,650	-	24,650	23,090	30,296
Northern Ireland Courts and Tribunals Service	-	734	-	734	-	734	4,542	-	4,542	3,808	586
Legal Services Agency Northern Ireland	-	99,445	-	99,445	-	99,445	104,132	-	104,132	4,687	74,008
Forensic Science Northern Ireland	-	(15)	-	(15)	-	(15)	50	-	50	65	54
Safer Communities Directorate	-	51	-	51	-	51	48,130	-	48,130	48,079	15
Total spending in AME	-	103,330	-	103,330	-	103,330	269,854	-	269,854	166,524	108,583

The notes on pages 97 to 149 form part of these Accounts.

Type of spend	Resource Outturn						Estimate			Outturn vs Estimate (including virements) saving/ (excess)	Prior Year Outturn Total 2020-21
	Admin	Other Current	Grants	Gross Expenditure	Accruing Resources	Net Total	Net Total	Virements*	Net Total incl. virement		
Non-Budget											
Police Service of Northern Ireland	-	-	851,912	851,912	-	851,912	873,389	-	873,389	21,477	806,857
Police Pensions	-	-	145,488	145,488	-	145,488	150,506	-	150,506	5,018	137,543
Office of the Police Ombudsman for Northern Ireland	-	-	10,399	10,399	-	10,399	10,790	-	10,790	391	9,435
Northern Ireland Policing Board	-	-	6,227	6,227	-	6,227	6,586	-	6,586	359	5,663
Probation Board for Northern Ireland	-	-	22,101	22,101	-	22,101	23,416	-	23,416	1,315	22,646
Criminal Justice Inspection Northern Ireland	-	-	1,155	1,155	-	1,155	1,163	-	1,163	8	1,080
RUC George Cross Foundation	-	-	127	127	-	127	196	-	196	69	132
Northern Ireland Police Fund	-	-	1,420	1,420	-	1,420	1,511	-	1,511	91	1,340
Police Rehabilitation and Retraining Trust	-	-	1,865	1,865	-	1,865	1,935	-	1,935	70	1,880
Notional Charges	9,397	-	-	9,397	-	9,397	13,285	-	13,285	3,888	8,755
Total spending in Non-Budget	9,397	-	1,040,694	1,050,091	-	1,050,091	1,082,777	-	1,082,777	32,686	995,331
Resource Outturn	46,631	361,060	1,049,927	1,457,618	(60,071)	1,397,547	1,606,313	-	1,606,313	208,766	1,347,338

* 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 97 to 149 form part of these Accounts.

Explanation of the variation between Estimate and Outturn

The table below summarises the Outturn and Estimate position for 2021-22:

Category of expenditure	Outturn	Estimate	Outturn vs Estimate saving/ (excess)
Departmental Expenditure Limit (DEL)	244,126	253,682	9,556
Annually Managed Expenditure (AME)	103,330	269,854	166,524
Non-budget expenditure	1,050,091	1,082,777	32,686
Net Resource Outturn	1,397,547	1,606,313	208,766

The main reasons for these variances are outlined below.

Spending in Departmental Expenditure Limits

Safer Communities Directorate - underspends mainly related to Asset Recovery Incentive Scheme and other underspends in staff and non-staff costs, offset slightly by an under-recovery in income and an overspend in depreciation due to the capitalisation of the NI Temporary Resting Place.

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

NI Prison Service (NIPS) - underspends mainly relate to staff and non-staff costs, combined with an underspend in depreciation due to a five year revaluation of the NIPS Estate and the impact of reduced opening values at April 2021.

Spending in Annually Managed Expenditure

Safer Communities Directorate - the saving of £48.1m was mainly due to lower than anticipated provisions required for the ongoing implications of the McCloud remedy ruling.

Compensation Services - the £23.1m saving is due to lower movement in the Personal Injury provision as a result of the Personal Injury Discount Rate being lower than expected.

NI Prison Service - the savings of £83m was mainly due to lower than anticipated provisions for a legal case and the five-year revaluation of the NIPS Estate being lower than anticipated.

Spending in Non-Budget

Police Service of Northern Ireland - the saving was mainly due to underspends in Resource and Capital, combined with higher accruals at year-end than anticipated in relation to high value legal cases and pay awards.

Police Pension - the saving was mainly due to a variance in the number and rank profile of leavers against forecast.

Probation Board NI – the saving relates primarily to a capital underspend in year, combined with lower than anticipated grant payments and accommodation maintenance spend.

Notional Charges - the saving was mainly due to lower than anticipated notional charges for DoF Shared Services.

The notes on pages 97 to 149 form part of these Accounts.

SOAS 2 Reconciliation of Net Resource Outturn to Net Expenditure

Item	Note	Outturn	Estimate	Outturn vs Estimate saving/ (excess)	Prior Year Outturn Total 2020-21
Net Resource Outturn	SOAS 1	1,397,547	1,606,313	208,766	1,347,338
Non-supply expenditure*	6	9,072	9,275	203	8,572
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure		1,406,619	1,615,588	208,969	1,355,910

* 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.

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	1,397,547	1,606,313	208,766
Capital:				
Acquisition of non-current assets	8, 9	15,330	18,099	2,769
Financial assets		(5)	-	5
Non-operating Accruing Resources:				
Net book value of asset disposals		-	-	-
Net capital		15,325	18,099	2,774
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3	(28,001)	(41,403)	(13,402)
New provisions and adjustments to previous provisions	3	(100,639)	(258,346)	(157,707)
Notional charges	5, 6	(9,397)	(13,285)	(3,888)
Other non-cash items		(1,073)	-	1,073
Movement in working capital		4,077	21,000	16,923
Use of provisions	15, 16	113,647	115,470	1,823
Total accruals to cash adjustment		(21,386)	(176,564)	(155,178)
Net Cash Requirement		1,391,486	1,447,848	56,362

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 97 to 149 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 2021-22		Outturn 2021-22	
		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	-	-	7	7
Amounts collected on behalf of the Consolidated Fund		8,000	8,000	5,890	5,733
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
Total income payable to the Consolidated Fund		8,000	8,000	5,897	5,740

The notes on pages 97 to 149 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 2020-21
Operating income	7	60,071	46,341
Adjustment for transactions between Requests for Resources		-	-
Gross income		60,071	46,341
Income authorised to be Accruing Resources		(60,071)	(46,341)
Operating income payable to the Consolidated Fund		-	-

SOAS 6 Non-operating income - excess accruing resources

Item	Note	Outturn	Prior Year Outturn Total 2020-21
Proceeds on disposal of property, plant and equipment		7	30
Non-operating income - excess accruing resources	SOAS 4.1	7	30

The notes on pages 97 to 149 form part of these Accounts.

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

Losses and Special Payments

[Audited information]

Losses statement

Core Department and Agencies	2021-22		2020-21	
	Number of cases	£000	Number of cases	£000
Cash losses	3	-	-	-
Claims abandoned	3	58	-	-
Administrative write-offs	319	630	153	468
Fruitless payments	4	-	17	11
Stores losses	-	-	-	-
Total	329	688	170	479

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

Special payments

Core Department and Agencies	2021-22		2020-21	
	Number of cases	£000	Number of cases	£000
Compensation payments	1,096	13,626	903	7,663
Miscarriages of justice	-	-	-	-
Ex gratia	-	-	-	-
Total	1,096	13,626	903	7,663

Compensation payments

During 2021-22, final compensation payments were made in 962 cases (2020-21: 777) by Compensation Services. The total amount of compensation paid in these cases was £12.472m (2020-21: £6.182m).

Included in the litigation provision in Note 15 are special payments made by the Northern Ireland Prison Service. Amounts utilised during the year included 85 compensation payments (2020-21: 80) totalling £0.960m (2020-21: £1.028m). There were no individual payments exceeding £0.250m in 2021-22 (2020-21: None).

During 2021-22, final compensation payments were made in 47 cases (2020-21: 44 cases) by Northern Ireland Courts and Tribunals Service. The total amount of compensation paid in these cases was £0.183m (2020-21: £0.438m). There were no individual payments in excess of £0.250m during 2021-22 (2020-21: None).

The notes on pages 97 to 149 form part of these Accounts.

Fraud and error

[Audited information]

LSANI administers legal aid payments on behalf of DoJ. 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 that govern them due to:

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

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 also considered to be irregular as the transactions have not been processed in accordance with the applicable legislation.

Estimates of official error within individual sampled legal aid payments have been provided by DfC, under a Memorandum of Understanding since 2019. The estimated level of overpayments in legal aid expenditure resulting from official error in 2021-22 is £1.0m (2020-21: £4.4m), whilst the estimated level of underpayments is £0.9m (2020-21: £1.2m).

Estimates of applicant fraud and error within individual sampled legal aid payments have been provided by DfC, under a Memorandum of Understanding since 2021. The amount of legal aid estimated to have been paid incorrectly due to applicant fraud and error in 2021-22 is £1.3m.

LSA does not currently produce an estimate of the likely scale of overpayments or underpayments made to legal practitioners resulting from fraud and error. However, following the practitioner fraud and error pilot in 2021-22, independent measurement will commence in 2023.

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	2021-22 £000			2020-21 £000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
AccessNI	3,832	(2,712)	1,120	3,050	(2,364)	686
NI Courts and Tribunals Service	21,508	(29,564)	(8,056)	18,941	(29,774)	(10,833)
Forensic Science NI	11,503	(15,713)	(4,210)	10,948	(15,355)	(4,407)
Total	36,843	(47,989)	(11,146)	32,939	(47,493)	(14,554)

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

The notes on pages 97 to 149 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 2021-22 represents 73% of cost recovery (2020-21: 64%).

Forensic Science Northern Ireland (FSNI)

Whilst there is a deficit of £4.210m (2020-21: £4.407m) 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]

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Department is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. The Department has no such liabilities.

Note 17 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT



Richard Pengelly CB
Accounting Officer

7 July 2022

The notes on pages 97 to 149 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 2022 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. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against 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 2022 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.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2022 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department of Justice in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Department of Justice's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of 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.

CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**Matters on which I report by exception**

In the light of the knowledge and understanding of the Department of Justice and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Justice through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the *Government Resources and Accounts Act (Northern Ireland) 2001*;
- making enquires of management and those charged with governance on Department of Justice's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Department of Justice's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, grants, provisions and management override of controls from posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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 Outturn against 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.

Report

I have no observations to make on these financial statements.



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

7 July 2022

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure

For the year ended 31 March 2022

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

	Note	2021-22 £000 Core Department and Agencies	2020-21 £000 Core Department and Agencies
Revenue from contracts with customers	3	(50,844)	(42,242)
Other operating income	3	(9,227)	(4,099)
Total operating income		(60,071)	(46,341)
Staff costs	3	161,243	159,581
Purchase of goods and services	3	125,143	102,942
Depreciation and impairment charges	3	28,001	28,892
Provisions expense	3	100,639	113,329
Grants	3	1,049,927	995,332
Total operating expenditure		1,464,953	1,400,076
Net operating expenditure		1,404,882	1,353,735
Finance expense	3	1,737	2,175
Net expenditure for the year		1,406,619	1,355,910
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	(24,774)	(323)
- net (gain)/loss on revaluation of intangibles	9	(759)	(127)
- actuarial (gain)/loss on provisions and pension liability	15, 16	14,980	12,331
Comprehensive net expenditure for the year		1,396,066	1,367,791

The notes on pages 97 to 149 form part of these Accounts.

Consolidated Statement of Financial Position

As at 31 March 2022

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.

	Note	2022 £000 Core Department and Agencies	2021 £000 Core Department and Agencies
Non-current assets			
Property, plant and equipment	8	571,581	559,474
Intangible assets	9	16,553	15,863
Trade and other receivables	13	22	21
Financial assets		11	13
Total non-current assets		588,167	575,371
Current assets			
Assets classified as held for sale		60	60
Inventories	11	1,244	1,195
Trade and other receivables	13	26,657	20,564
Financial assets		3	5
Cash and cash equivalents	12	2,931	4,727
Total current assets		30,895	26,551
Total assets		619,062	601,922
Current liabilities			
Trade and other payables	14	(58,810)	(56,911)
Provisions	15	(95,368)	(88,201)
Pension liabilities	16	(48)	(47)
Total current liabilities		(154,226)	(145,159)
Total assets less current liabilities		464,836	456,763
Non-current liabilities			
Provisions	15	(223,954)	(228,318)
Pension liabilities	16	(1,440)	(1,406)
Other payables	14	(7,316)	(9,072)
Total non-current liabilities		(232,710)	(238,796)
Total assets less total liabilities		232,126	217,967
Taxpayers' equity and other reserves			
General Fund		(11,635)	(10,294)
Revaluation Reserve		243,761	228,261
Total equity		232,126	217,967



Richard Pengelly CB
Accounting Officer

The notes on pages 97 to 149 form part of these Accounts.

7 July 2022

Consolidated Statement of Cash Flow

For the year ended 31 March 2022

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 that are intended to contribute to the Department's future public service delivery.

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Cash flows from operating activities			
Net expenditure for the year		(1,406,619)	(1,355,910)
Adjustment for non-cash transactions	4	139,110	146,490
(Increase) in trade and other receivables	13	(6,094)	(9,513)
<i>Movement in receivables relating to items not passing through the SCNE</i>		2,942	6,572
(Increase)/decrease in inventories	11	(49)	54
(Decrease) in trade and other payables	14	(2,027)	(4,637)
<i>Movement in payables relating to items not passing through the SCNE</i>		6,318	276
Use of provisions	15, 16	(113,924)	(88,217)
Net cash outflow from operating activities		(1,380,343)	(1,304,885)
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,979)	(13,506)
Purchase of intangible assets		(2,851)	(3,438)
Proceeds of disposal of property, plant and equipment		6	30
Loans to other bodies		-	(7)
Loan repayments from other bodies		5	6
Net cash outflow from investing activities		(18,819)	(16,915)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		1,388,830	1,315,543
From the Consolidated Fund (Supply) - prior year		(840)	(663)
From the Consolidated Fund (non-Supply)		9,349	8,703
Capital element of payments in respect of 'on-balance sheet' (SoFP) PPP/PFI contracts		(1,666)	(1,575)
Net financing		1,395,673	1,322,008
Net (decrease)/increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(3,489)	208
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		5,733	4,387
Payments of amounts due to the Consolidated Fund		(6,210)	(3,932)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(3,966)	663
Cash and cash equivalents at the beginning of the period	12	1,689	1,026
Cash and cash equivalents at the end of the period	12	(2,277)	1,689

The notes on pages 97 to 149 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2022

This statement shows the movement in the year on the different reserves held by 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	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2020		16,073	237,554	253,627
Net Assembly Funding - drawn down		1,314,880	-	1,314,880
Net Assembly Funding - deemed		663	-	663
Consolidated Fund Standing Services		8,703	-	8,703
Supply (payable) adjustment	14	(840)	-	(840)
Excess accruing resources	14	(30)	-	(30)
Comprehensive net expenditure for the year		(1,368,241)	450	(1,367,791)
Auditor's remuneration	5, 6	373	-	373
Other notionals		8,334	-	8,334
Minister's remuneration		48	-	48
Movement in reserves:				
Transfer between reserves		9,743	(9,743)	-
Balance at 31 March 2021		(10,294)	228,261	217,967
Net Assembly Funding - drawn down		1,387,990	-	1,387,990
Net Assembly Funding - deemed		840	-	840
Consolidated Fund Standing Services		9,349	-	9,349
Supply receivable adjustment	13	2,656	-	2,656
Excess accruing resources	14	(7)	-	(7)
Comprehensive net expenditure for the year		(1,421,599)	25,533	(1,396,066)
Auditor's remuneration	5, 6	385	-	385
Other notionals	5, 6	9,012	-	9,012
Movement in reserves:				
Transfer between reserves		10,033	(10,033)	-
Balance at 31 March 2022		(11,635)	243,761	232,126

The notes on pages 97 to 149 form part of these Accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (*FReM*) issued by the Department of Finance. The accounting policies contained in the *FReM* apply IFRS as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy that 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 Outturn against 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 that 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. DoF recovers the costs of occupancy of such properties on a notional basis from the Department of Justice. Terms of occupancy of these buildings are outlined in an agreement known as the 'Memorandum of Terms of Occupancy'.

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 that does not meet the criteria of enhancement or improvement is treated as revenue spend.

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 componentises new buildings and significant enhancements to existing buildings and adds them to the property, plant and equipment register, 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 that 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 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	0.47%
Medium-term	5 to 10 years	0.70%
Long-term	10 to 40 years	0.95%

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 that 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 and services 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 that 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 that 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 measured at fair value, with changes in value recognised in the income statement in the line that 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 rate method, with changes in carrying value recognised in the Statement of Comprehensive Net Expenditure in a manner that 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 interest rate 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 that 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 and full details are contained in Note 15.2.

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

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 and full details are contained in Note 15.4.

(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 2021-22 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 2021 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.

Implementation of Review of Financial Process (RoFP)

The International Accounting Standards Board (IASB) issued new and amended Standards (IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements* and IFRS 12 - *Disclosure of Interests in Other Entities*) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These Standards were effective with EU adoption from 1 January 2014.

Accounting boundaries for IFRS purposes are currently adapted in the *FReM* so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by HM Treasury. A similar review in NI (Review of Financial Process), 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 these Standards.

The Department of Justice is implementing Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of Budgets, Estimates and Accounts as far as it is practicable, including consolidation of NDPBs and other central government bodies in Estimates and Accounts. In addition to the entities detailed in Note 23 as being within the Departmental boundary for 2021-22, the bodies intended for inclusion within the 2022-23 Departmental boundary are detailed below:

- 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 and Police Pensions;
- Probation Board for Northern Ireland; and
- RUC George Cross Foundation.

The list of bodies is subject to change and the final list of bodies to be included within the departmental boundary will be designated each year in an Estimates and Accounts (Designation of Bodies) Order for consolidation into the Department of Justice annual Estimates and Accounts.

The main assets and liabilities of NDPBs that are expected to be consolidated in the Departmental Statement of Financial Position in 2022-23 are noted below - these relate primarily to PSNI and Police Pensions:

- Property, plant and equipment £695m - assets;
- Provisions £736m - liabilities; and
- Pension obligations £11,471m - liabilities.

The main impact on the Departmental Statement of Comprehensive Net Expenditure will be that expenditure of approximately £1,041m currently disclosed as Grant-in-aid will be replaced by the actual expenditure incurred by NDPBs including staff costs, purchases of goods and services, depreciation and provisions expenses.

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 2022 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	2022-23
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 <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 <i>FReM</i>, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.</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 £1.8m of leases will be capitalised on the Statement of Financial Position in 2022-23 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.

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 £1.188m (2020-21: £1.152m) in respect of intra-Departmental income and £2.300m (2020-21: £2.163m) in respect of intra-Departmental expenditure transactions occurring between bodies within the Departmental boundary for accounts purposes.

					2021-22 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Gross expenditure	1,076,305	104,699	142,920	142,766	1,466,690
Income	(10,913)	(33,019)	(3,698)	(12,441)	(60,071)
Net expenditure	1,065,392	71,680	139,222	130,325	1,406,619
					2020-21 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Gross expenditure	1,020,183	99,459	146,141	136,468	1,402,251
Income	(10,333)	(25,947)	(3,416)	(6,645)	(46,341)
Net expenditure	1,009,850	73,512	142,725	129,823	1,355,910

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, Compensation Services for victims of crime and administrative support for the Troubles Permanent Disablement Payment Scheme 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

	2021-22 £000				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Total net expenditure reported for Operating Segments	1,065,392	71,680	139,222	130,325	1,406,619
Reconciling items	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	1,065,392	71,680	139,222	130,325	1,406,619

	2020-21 £000				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Total net expenditure reported for Operating Segments	1,009,850	73,512	142,725	129,823	1,355,910
Reconciling items	-	-	-	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	1,009,850	73,512	142,725	129,823	1,355,910

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

		2021-22 £000		
	Note	Administration	Programme	Core Department and Agencies
Revenue from contracts with customers	7	(404)	(50,440)	(50,844)
Other operating income	7	(311)	(8,916)	(9,227)
Total operating income		(715)	(59,356)	(60,071)
Staff costs	5, 6	27,875	133,368	161,243
Purchase of goods and services	5, 6	15,216	109,927	125,143
Depreciation and impairment charges	5, 6	1,594	26,407	28,001
Provisions expense	6	-	100,639	100,639
Grants	6	-	1,049,927	1,049,927
Total operating expenditure		44,685	1,420,268	1,464,953
Net operating expenditure		43,970	1,360,912	1,404,882
Finance expense	5, 6	-	1,737	1,737
Net expenditure for the year		43,970	1,362,649	1,406,619

		2020-21 £000		
	Note	Administration	Programme	Core Department and Agencies
Revenue from contracts with customers	7	(390)	(41,852)	(42,242)
Other operating income	7	(422)	(3,677)	(4,099)
Total operating income		(812)	(45,529)	(46,341)
Staff costs	5, 6	28,040	131,541	159,581
Purchase of goods and services	5, 6	13,638	89,304	102,942
Depreciation and impairment charges	5, 6	1,605	27,287	28,892
Provisions expense	6	-	113,329	113,329
Grants	6	-	995,332	995,332
Total operating expenditure		43,283	1,356,793	1,400,076
Net operating expenditure		42,471	1,311,264	1,353,735
Finance expense	5, 6	-	2,175	2,175
Net expenditure for the year		42,471	1,313,439	1,355,910

4. Non-cash costs

		2021-22 £000		
	Note	Administration	Programme	Core Department and Agencies
Minister's remuneration		-	-	-
Purchase of goods and services	5, 6	7,424	1,904	9,328
Depreciation and impairment charges	5, 6	1,594	26,407	28,001
Provisions expense	6	-	100,639	100,639
Finance expense	6	-	1,142	1,142
Total		9,018	130,092	139,110

		2020-21 £000		
	Note	Administration	Programme	Core Department and Agencies
Minister's remuneration		48	-	48
Purchase of goods and services	5, 6	6,948	(4,221)	2,727
Depreciation and impairment charges	5, 6	1,605	27,287	28,892
Provisions expense	6	-	113,329	113,329
Finance expense	6	-	1,494	1,494
Total		8,601	137,889	146,490

The Minister's remuneration is hard charged by the Assembly to the Department from 1 April 2021 onwards. Previously this expenditure was accounted for as a notional charge.

5. Other administration expenditure

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Staff costs*			
Wages and salaries		19,876	19,794
Social security costs		2,171	2,224
Other pension costs		5,828	6,022
		27,875	28,040
Purchase of goods and services			
Accommodation costs, maintenance and utilities		469	575
IT, communications and office services		1,667	1,372
Consumables, equipment and transport costs		51	56
Contracted out and managed services		3,504	3,023
Professional and consultancy services		1,350	816
Rentals under operating leases		190	190
Staff related costs		465	519
Other costs		79	123
Commissions, Panels and Tribunals costs		17	16
		7,792	6,690
Non-cash items			
Loss on disposal of non-current assets	8, 9	9	1
Auditor's remuneration and expenses		251	243
Notional charges		7,164	6,704
		7,424	6,948
		15,216	13,638
Depreciation and impairment charges			
Depreciation	8	1,149	1,125
Amortisation	9	409	480
Revaluation released to SCNE	8, 9	36	-
		1,594	1,605
Finance expense			
		-	-
Total administration expenditure			
		44,685	43,283

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

6. Programme expenditure

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Staff costs*			
Wages and salaries		98,460	96,767
Social security costs		9,932	9,931
Other pension costs		24,976	24,843
		133,368	131,541
Purchase of goods and services			
Accommodation costs, maintenance and utilities		21,008	19,091
IT, communications and office services		3,835	3,887
Consumables, equipment and transport costs		2,740	4,181
Contracted out and managed services		18,828	12,437
Professional and consultancy services		7,454	6,056
Client and other programme operating costs		16,346	15,775
Rentals under operating leases		1,640	1,928
Staff related costs		1,968	1,953
Other costs		1,083	860
Commissions, Panels and Tribunals costs		10,388	6,807
PFI service charges		3,127	2,854
Judicial costs		10,534	9,124
Judicial costs - Consolidated Fund		9,072	8,572
		108,023	93,525
Non-cash items			
Loss on disposal of non-current assets	8, 9	50	264
Auditor's remuneration and expenses		134	130
Notional charges		1,848	1,630
Other non-cash items		(128)	(6,245)
		1,904	(4,221)
		109,927	89,304
Depreciation and impairment charges			
Depreciation	8	22,009	24,529
Amortisation	9	2,756	2,703
Revaluation released to SCNE	8, 9	1,642	55
		26,407	27,287
Provisions expense			
Provided in year	15	110,162	124,500
Written back in year	15	(9,523)	(11,171)
		100,639	113,329
Grants			
Grant-in-aid to NDPBs		1,040,694	986,576
Other grants		9,233	8,756
		1,049,927	995,332
Finance expense			
Interest payable and similar charges		594	682
Borrowing costs on provisions	15	1,125	1,469
Pension liability interest charges	16	18	24
		1,737	2,175
Total programme expenditure		1,422,005	1,358,968

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

7. Income

	2021-22 £000	2020-21 £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	166	157
Sales of goods and services	238	233
	404	390
Other operating income		
Seconded costs	202	310
Rental income	111	111
Other non-trading income	(2)	1
	311	422
Administration income	715	812
<u>Programme income</u>		
Revenue from contracts with customers		
Fees, levies and charges	46,939	38,521
Sales of goods and services	3,501	3,331
	50,440	41,852
Other operating income		
Rental income	632	636
Other non-trading income	8,242	3,011
Grant income	42	30
	8,916	3,677
Programme income	59,356	45,529
Total operating income	60,071	46,341

7. Income (continued)

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

					2021-22 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Fees, levies and charges	10,771	32,505	-	3,829	47,105
Sales of goods and services	32	-	3,500	207	3,739
Revenue from contracts with customers	10,803	32,505	3,500	4,036	50,844

					2020-21 £000
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
Fees, levies and charges	10,307	25,324	-	3,047	38,678
Sales of goods and services	26	49	3,282	207	3,564
Revenue from contracts with customers	10,333	25,373	3,282	3,254	42,242

8. Property, plant and equipment

						2021-22 £000
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Core Department and Agencies
Cost or valuation						
At 1 April 2021	41,990	554,124	44,012	11,516	17,926	669,568
Additions	-	1,639	1,062	953	8,510	12,164
Disposals	-	(1,799)	(2,305)	(701)	-	(4,805)
Reclassification	-	11,309	(206)	274	(11,334)	43
Revaluation released to SCNE	-	(5,149)	(5)	(83)	-	(5,237)
Revaluation	-	(29,719)	1,576	132	-	(28,011)
At 31 March 2022	41,990	530,405	44,134	12,091	15,102	643,722
Depreciation						
At 1 April 2021	-	77,652	25,401	7,041	-	110,094
Charged in year	-	18,720	2,996	1,442	-	23,158
Disposals	-	(1,760)	(2,287)	(693)	-	(4,740)
Reclassification	-	3	(199)	192	-	(4)
Revaluation released to SCNE	-	(3,551)	-	(31)	-	(3,582)
Revaluation	-	(53,582)	695	102	-	(52,785)
At 31 March 2022	-	37,482	26,606	8,053	-	72,141
Carrying amount at 31 March 2022	41,990	492,923	17,528	4,038	15,102	571,581
Carrying amount at 31 March 2021	41,990	476,472	18,611	4,475	17,926	559,474
Asset financing:						
Owned	41,990	451,541	17,528	4,038	15,102	530,199
PPP/PFI contracts*	-	41,382	-	-	-	41,382
Carrying amount at 31 March 2022	41,990	492,923	17,528	4,038	15,102	571,581
Of the total:						
Core Department	825	9,318	584	60	-	10,787
Agencies	41,165	483,605	16,944	3,978	15,102	560,794
Carrying amount at 31 March 2022	41,990	492,923	17,528	4,038	15,102	571,581

* Further details regarding the Department's PFI contract are contained in Note 19.

8. Property, plant and equipment (continued)

	2020-21 £000					
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Core Department and Agencies
Cost or valuation						
At 1 April 2020	42,080	542,043	44,011	10,470	20,005	658,609
Additions	-	594	2,091	1,205	10,380	14,270
Disposals	(90)	(177)	(2,618)	(252)	-	(3,137)
Reclassification	-	12,053	340	70	(12,459)	4
Revaluation released to SCNE	-	-	(1)	-	-	(1)
Revaluation	-	(389)	189	23	-	(177)
At 31 March 2021	41,990	554,124	44,012	11,516	17,926	669,568
Depreciation						
At 1 April 2020	-	56,513	25,092	6,125	-	87,730
Charged in year	-	21,795	2,714	1,145	-	25,654
Disposals	-	(97)	(2,500)	(246)	-	(2,843)
Reclassification	-	-	-	(1)	-	(1)
Revaluation released to SCNE	-	54	-	-	-	54
Revaluation	-	(613)	95	18	-	(500)
At 31 March 2021	-	77,652	25,401	7,041	-	110,094
Carrying amount at 31 March 2021	41,990	476,472	18,611	4,475	17,926	559,474
Carrying amount at 31 March 2020	42,080	485,530	18,919	4,345	20,005	570,879
Asset financing:						
Owned	41,990	435,604	18,611	4,475	17,926	518,606
PPP/PFI contracts*	-	40,868	-	-	-	40,868
Carrying amount at 31 March 2021	41,990	476,472	18,611	4,475	17,926	559,474
Of the total:						
Core Department	825	9,610	701	81	-	11,217
Agencies	41,165	466,862	17,910	4,394	17,926	548,257
Carrying amount at 31 March 2021	41,990	476,472	18,611	4,475	17,926	559,474

* Further details regarding the Department's PFI contract are contained in Note 19.

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 2021 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 2026.
- (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 one Courthouse that was valued at market value, due to its non-operational status, and this 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 2021 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 2026.
- (v) Youth Justice Agency - a full valuation of land and buildings was carried out by LPS at 31 March 2022 in accordance with the RICS Appraisal and Valuation Manual. LPS valued the land and building at Juvenile Justice Centre at depreciated replacement cost using Building Cost Information Service indices.
- (vi) Indexation is applied between the five year asset revaluations to update the asset registers, taking into account the general market in property values and building costs. The indices used for buildings were set at 5.1% by LPS for 2021-22. Other property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

Covid-19 - market conditions explanatory note by LPS

The outbreak of Covid-19, declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, has and continues to impact many aspects of daily life and the global economy - with some real estate markets having experienced lower levels of transactional activity and liquidity.

Travel, movement and operational restrictions have been implemented by many countries. In some cases, 'lockdowns' have been applied to varying degrees and to reflect further 'waves' of Covid-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle Covid-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at or returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the LPS valuations are not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

9. Intangible assets

	2021-22 £000		
	Software and Licences	Assets Under Construction	Core Department and Agencies
Cost or valuation			
At 1 April 2021	51,105	1,877	52,982
Additions	1,470	1,696	3,166
Disposals	(17,969)	-	(17,969)
Reclassification	1,509	(1,552)	(43)
Revaluation released to SCNE	(38)	-	(38)
Revaluation	1,374	-	1,374
At 31 March 2022	37,451	2,021	39,472
Amortisation			
At 1 April 2021	37,119	-	37,119
Charged in year	3,165	-	3,165
Disposals	(17,969)	-	(17,969)
Reclassification	4	-	4
Revaluation released to SCNE	(15)	-	(15)
Revaluation	615	-	615
At 31 March 2022	22,919	-	22,919
Carrying amount at 31 March 2022	14,532	2,021	16,553
Carrying amount at 31 March 2021	13,986	1,877	15,863
Asset financing:			
Owned	14,532	2,021	16,553
Carrying amount at 31 March 2022	14,532	2,021	16,553
Of the total:			
Core Department	1,148	-	1,148
Agencies	13,384	2,021	15,405
Carrying amount at 31 March 2022	14,532	2,021	16,553

9. Intangible assets (continued)

	2020-21 £000		
	Software and Licences	Assets Under Construction	Core Department and Agencies
Cost or valuation			
At 1 April 2020	49,346	954	50,300
Additions	1,762	1,221	2,983
Disposals	(498)	-	(498)
Reclassification	294	(298)	(4)
Revaluation released to SCNE	-	-	-
Revaluation	201	-	201
At 31 March 2021	51,105	1,877	52,982
Amortisation			
At 1 April 2020	34,359	-	34,359
Charged in year	3,183	-	3,183
Disposals	(497)	-	(497)
Reclassification	-	-	-
Revaluation released to SCNE	-	-	-
Revaluation	74	-	74
At 31 March 2021	37,119	-	37,119
Carrying amount at 31 March 2021	13,986	1,877	15,863
Carrying amount at 31 March 2020	14,987	954	15,941
Asset financing:			
Owned	13,986	1,877	15,863
Carrying amount at 31 March 2021	13,986	1,877	15,863
Of the total:			
Core Department	1,326	-	1,326
Agencies	12,660	1,877	14,537
Carrying amount at 31 March 2021	13,986	1,877	15,863

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.

10. Financial instruments (continued)

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 1.9% (2020-21: 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

	2021-22 £000	2020-21 £000
	Core Department and Agencies	Core Department and Agencies
Raw materials and consumables	915	922
Fuel	329	273
Total	1,244	1,195

12. Cash and cash equivalents

	2021-22 £000	2020-21 £000
	Core Department and Agencies	Core Department and Agencies
Balance at 1 April	1,689	1,026
Net change in cash and cash equivalent balances	(3,966)	663
Balance at 31 March	(2,277)	1,689
The following balances at 31 March are held at:		
NI banking pool	(2,301)	1,658
Commercial banks and cash in hand	24	31
Balance at 31 March	(2,277)	1,689

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

		2021-22 £000	2020-21 £000
		Core Department and Agencies	Core Department and Agencies
Current assets		2,931	4,727
Current liabilities	14	(5,208)	(3,038)
Total		(2,277)	1,689

13. Trade receivables, financial and other assets

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Amounts falling due within one year:			
VAT recoverable		2,824	2,233
Trade receivables	13.1	10,049	9,753
Other receivables		2,944	1,892
Prepayments and accrued income		8,184	6,686
Amounts due from the Consolidated Fund in respect of supply		2,656	-
		26,657	20,564
Amounts falling due after more than one year:			
Other receivables		22	21
		22	21
Total		26,679	20,585

Included within 'Other receivables' is £836,889 (2020-21: £679,520) 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:

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Trade receivables at 31 March - Gross		12,138	11,970
Impairment at 1 April		2,217	8,460
Increase in impairment during the year		601	537
Impairment written back during the year		(729)	(6,780)
Impairment at 31 March		2,089	2,217
Trade receivables at 31 March - Net	13	10,049	9,753

£1.985m of the total impairment at 31 March 2022 relates to LSANI (31 March 2021: £2.146m). Following a review of the statutory charge debt recovered in 2020-21, the Agency's assessment was that an impairment is no longer required for this category of debt as the debt is secured as a result of the charge placed. This revised assessment is the main reason for the significant decrease in impairment during 2020-21.

14. Trade payables, financial and other liabilities

		2021-22 £000	2020-21 £000
	Note	Core Department and Agencies	Core Department and Agencies
Amounts falling due within one year:			
Bank overdraft	12	5,208	3,038
Trade payables		1,352	919
Other payables		2,273	1,508
Accruals and deferred income		47,005	47,412
Current part of imputed finance lease element of 'on-balance sheet' (SoFP)		1,756	1,666
PPP/PFI contracts			
Amounts due to the Consolidated Fund in respect of supply		-	840
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:			
Received		372	818
Receivable		837	680
Excess accruing resources		7	30
		58,810	56,911
Amounts falling due after more than one year:			
Imputed finance lease element of 'on-balance sheet' (SoFP)		7,316	9,072
PPP/PFI contracts			
		7,316	9,072
Total		66,126	65,983

Included within 'Consolidated Fund Extra Receipts to be paid to the Consolidated Fund: Received' is £50,969 (2020-21: £773,474) 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

	2021-22 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Balance at 1 April 2021	157,402	96,686	45,105	17,326	316,519
Provided in the year	97,340	2,379	7,035	3,408	110,162
Provisions not required written back/ re-measurement of opening balance	2,352	(4)	(5,475)	(6,396)	(9,523)
Provisions utilised in the year	(94,715)	(3,120)	(14,049)	(1,715)	(113,599)
Borrowing costs	-	1,125	-	-	1,125
Actuarial loss/(gain)	-	14,915	-	-	14,915
Provisions settled from Consolidated Fund	-	(277)	-	-	(277)
Balance at 31 March 2022	162,379	111,704	32,616	12,623	319,322

	2020-21 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Balance at 1 April 2020	152,354	85,348	21,381	18,577	277,660
Provided in the year	77,844	2,508	36,472	7,676	124,500
Provisions not required written back/ re-measurement of opening balance	2,418	(84)	(6,176)	(7,329)	(11,171)
Provisions utilised in the year	(75,214)	(4,655)	(6,572)	(1,598)	(88,039)
Borrowing costs	-	1,469	-	-	1,469
Actuarial loss/(gain)	-	12,231	-	-	12,231
Provisions settled from Consolidated Fund	-	(131)	-	-	(131)
Balance at 31 March 2021	157,402	96,686	45,105	17,326	316,519

15.1 Analysis of expected timing of discounted flows

	2021-22 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Due within one year	72,219	2,807	12,359	7,983	95,368
Due later than one year and not later than five years	77,606	13,824	20,257	4,640	116,327
Due later than five years	12,554	95,073	-	-	107,627
Balance at 31 March 2022	162,379	111,704	32,616	12,623	319,322

	2020-21 £000				
	Legal Aid	Early Departure Costs	Compen- sation Payments	Litigation Claims	Core Department and Agencies
Due within one year	61,814	2,897	12,611	10,879	88,201
Due later than one year and not later than five years	92,111	12,900	32,494	6,447	143,952
Due later than five years	3,477	80,889	-	-	84,366
Balance at 31 March 2021	157,402	96,686	45,105	17,326	316,519

15.2 Legal aid - £162.379m (2020-21: £157.402m)

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.

Summary position

The legal aid provisions at the reporting date can be summarised as follows:

	2021-22 £000	2020-21 £000
Civil legal services	108,479	106,334
Criminal legal aid	53,900	51,068
Total	162,379	157,402

	2021-22		2020-21	
	Volume of cases	£000	Volume of cases	£000
Cases costed at an average cost	67,947	130,315	61,607	126,567
Cases costed where an average cost is not applicable	625	32,064	596	30,835
Total	68,572	162,379	62,203	157,402

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 auto-closure functionality, which closes cases when a set of predefined conditions have been satisfied including payment in full. This functionality is fully operational and helps maintain a cleansed volume of cases held on LAMS. As a result, the requirement for manual intervention and assumptions historically applied to the data reported from the system has reduced significantly.

A data management project team established in the previous reporting period continued to significantly cleanse the system of those cases which met the data migration rules however have been inactive since LAMS was introduced and in conjunction with their age profile.

An adjustment has been made to the volume reported from the system to reflect those cases that fall under the scope of this project team's work i.e. where a case has been inactive since LAMS inception and the case falls outside the lifecycles previously applied to the individual case nature.

15.2 Legal aid - £162.379m (2020-21: £157.402m) (continued)

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 estimated 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.

A system driven report generates an average cost from the volume and payment information of all completed and assessed closed cases held on LAMS.

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 that 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 Exceptionality and Criminal Authorities 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 Exceptionality and Criminal Authorities record and continuously monitor a list of Exceptionality criminal cases. Each case is separately reviewed and costed by the Agency.
- **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 that are detailed below:

- **average costs** - based on an analysis of historical payment values and volumes of closed cases, a series of average costs are calculated by primary nature within each legal aid level of service. This series of averages is then applied to the open certificate volume provided in line with the latest historical payment profile;
- **no report adjustments** - this relates to legal aid certificates and cases that are concluded with no report on case assessed for payment. These cases are within the closed case population and are excluded from calculating the average cost of a case. A percentage reduction is calculated based on an analysis of the volumes of historical closed cases with no reports. This is then applied to the open certificate volume provided; 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.

15.2 Legal aid - £162.379m (2020-21: £157.402m) (continued)

Uncertainties

Inactivity

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 initially. During the 2020-21 financial reporting period the auto-closure functionality was fully implemented. This has significantly cleansed the volume of cases held on LAMS and the accuracy of “live” cases reported by the system.

Further analysis of the volume has identified cases that met the initial rules of data migration but have been inactive since LAMS went live in summer 2019. The lack of activity may indicate that the case did not proceed or has been settled outside court and hence there may be no further liability to the fund. A project team was established to analyse these cases and communicate with suppliers to establish if an outstanding liability remains or the cases can be manually closed. This work has been significantly progressed during 2021-22 with many cases manually closed on LAMS.

Given the uncertainty regarding inactive cases, the following approach is taken for calculating provisions:

- where a case is identified as inactive and is also outside the lifecycles previously applied to cleanse volume i.e. it is older than the average case duration, the possibility that no further liability exists is considered higher and the case is removed from the provisions liability calculation; or
- where a case is identified as inactive but is within the lifecycles previously applied, the case is included within the provisions liability calculation.

Reporting

The average costs are now fully calculated from the information held on closed cases on LAMS. A report has been developed which reviews all cases closed on the system and the value of any assessed payments. A substantial number of cases have now closed on the new system, and having analysed and tested the values produced from LAMS information the average costs are considered to be consistent and reasonable. As the dataset of historical payment information on closed cases continues to grow, the average costs produced become more robust.

A suite of provision reports have been developed from LAMS that have improved and refined the provisions methodology. The new reports ensure that the data is driven directly from the system and manual intervention is kept to a minimum.

15.2 Legal aid - £162.379m (2020-21: £157.402m) (continued)

Timings

The timing of 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. There is a statutory obligation for practitioners to submit claims within a three month time limit after the conclusion of the proceedings to which the criminal aid or civil legal services certificate relates or from the date the last legal advice and assistance was provided.

The Agency has power to extend the statutory time limit and to entertain a claim if there is “good reason” for the late submission or if there is not “good reason” the Agency may only extend time in “exceptional circumstances”. In this event, the relevant legislation also requires the Agency to consider whether it is reasonable in the circumstances to reduce the costs of cases if time is extended for exceptional circumstances.

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.

15.3 Early departure costs - £111.704m (2020-21: £96.686m)

(i) - Northern Ireland Prison Service - injury on duty awards - £103.930m (2020-21: £88.730m)

Benefits payable under the Civil Service Injury Benefit Scheme relating to NIPS are charged to NIPS by Civil Service Pensions 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 individuals.

The injury awards are 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. The relevant assumptions underpinning the actuarial valuation of the liability were as follows for both 2020-21 and 2021-22:

- rate of future injury award - 3.5%; and
- current service cost - 6%.

Covid-19 implications

As with the 2020-21 financial statements, the 2021-22 disclosures are being produced when the UK continues to deal with the Covid-19 pandemic. GAD have considered the potential implications of how this pandemic could impact on the actuarial calculations required.

The assumptions for the discount rate and pension increases are specified by HM Treasury in the Public Expenditure System (PES) (2021) 10 Revised, dated 13 December 2021, and remain unchanged for these accounts. The PES assumptions reflect market conditions at the previous 30 November and are typically not amended for any changes between November and the accounting date.

The long-term salary assumption is intended to be an average over the future careers of scheme members, with a recognition that increases in any particular year may be lower or higher than the assumption. The assumption allows for a reduction in GAD's view of the long-term salary increases as well as lower short-term forecasts from the Office for Budget Responsibility.

The current population mortality projections make no specific allowance for the impact of Covid-19 or any other pandemics. The starting rates of mortality improvement are based on projections of past trends in UK mortality and the effects of past pandemics will already be reflected in these trends. In general, the effects of pandemics on mortality rates are usually expected to be short term, with rates going back to what they would have been before the pandemic after a year or two, unless the pandemic remains over several years. GAD's view is that it is too early to determine whether Covid-19 changes the long-term view of life expectancy in the UK. It is therefore not unreasonable to retain the existing mortality assumptions. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain over the next year's accounts.

(ii) - NICS and NILGOSC costs - £1.987m (2020-21: £1.872m)

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.

15.3 Early departure costs - £111.704m (2020-21: £96.686m) (continued)**(iii) - Northern Ireland Prison Service - Voluntary Early Retirement (VER) Scheme - £Nil (2020-21: £0.214m)**

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. Final payments under the Scheme were made in 2021-22.

(iv) - Judicial Service Awards (JSA) - £5.787m (2020-21: £5.870m)

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, the Fee Paid Judicial Pensions Scheme was introduced on 1 April 2017. A provision has been recognised in these Accounts in respect of JSA liabilities relating to both salaried and 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 employer's national insurance 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. A written ministerial statement made by the Chief Secretary to the Treasury on 15 July 2019 set out the government's intention to remedy this discrimination across all public sector pension schemes. It is understood that legislation to address the discrimination will be taken forward as soon as Parliamentary time allows. 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.

A District Judge brought a claim to the UK Employment Tribunal in relation to mistreatment, having acted as a 'whistle blower'. The significant point was whether, as a judicial office holder, she was a 'worker' under the Employment Rights Act, 1996. It would then follow that judicial office holders were entitled to a workplace pension under the Pensions Act 2008. NICTS has a number of both legal and non-legal devolved officers who may be impacted by this case. MoJ has accepted that eligible Tribunal Members are entitled to a workplace pension under auto-enrolment. DoJ are currently assessing the impact of recent legal advice as to the position in Northern Ireland regarding auto-enrolment. DoJ are developing a plan and timetable to manage the assessment and enrolment of eligible officers and have recognised a provision to meet the estimated potential backdated costs. The provision has been calculated on the basis of backdated employee and employer contributions payable and NICTS has assumed a 100% opt-in for the purposes of calculating an estimated provision.

15.4 Compensation payments - £32.616m (2020-21: £45.105m)

How the figures are derived

The Department estimates the value of open cases received under statutory criminal compensation schemes to arrive at the amounts disclosed as a provision within the financial statements. Open cases are deemed to be those that have yet to be concluded either with a final award settlement payment to the claimant or a closure of the claim without an award offer to the claimant. 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.

Summary position

The provisions in relation to criminal compensation claims administered can be summarised as follows:

	2021-22		2020-21	
	Volume of cases	£000	Volume of cases	£000
Cases costed at an average cost	3,707	8,019	3,411	7,366
Cases costed where an average cost is not applicable	87	24,597	108	37,739
Total	3,794	32,616	3,519	45,105

Volumes

The Department identifies the number of criminal compensation cases that remain open at the end of the financial year from the criminal compensation case management system (CIDMIS). The system associates a status flag with each case that is updated by caseworkers to record the current status of each case. Cases are classified as closed when a set of predefined conditions have been satisfied including payment of a final award.

Costs

There are two categories of costs applied to the volume of open cases in CIDMIS at the end of the reporting period in order to calculate an estimated cost of the provision:

i. cases costed at an average cost

The provisions model extracts a volume of open cases from CIDMIS per compensation scheme and applies the following to determine a provision value: (a) expected percentage of cases, based on historical analysis, that may be successful and result in an award of compensation and (b) an average cost to each case. The payment reports used for deriving the average cost use the volume and payment information for all closed cases over a defined period.

ii. cases costed where an average cost is not applicable

The majority of criminal compensation provisions are estimated through the application of historical volumes and average costs associated with claims that have concluded with an award of compensation. However, other categories of cases are provided on a separate basis. The approach to determining the provision value for these categories of cases reflects the most likely settlement value at the time of reporting reflecting all available information, associated business intelligence and legal guidance.

15.4 Compensation payments - £32.616m (2020-21: £45.105m) (continued)

Three categories of cases require segregation for review as the average cost methodology is not applicable:

- **high value cases received under the Northern Ireland Criminal Injuries Compensation Scheme 2002 and 2009 (“Tariff” scheme)** - cases that due to their nature, characteristics and materiality need to be separately identified and assigned an estimated settlement value based on a more bespoke assessment from all other Tariff scheme cases. Each case would generally have an expected overall settlement cost of at least £50,000.
- **high value cases received under the Criminal Damage (Compensation) (Northern Ireland) Order 1977** - cases that due to their nature, characteristics and materiality need to be separately identified and assigned an estimated settlement value based on a more bespoke assessment from all other Criminal Damage scheme cases. Each case would generally have an expected overall settlement cost of at least £50,000.
- **all remaining claims under the Criminal Injuries (Compensation) (Northern Ireland) Order 1988** - this scheme was closed to new applications following the introduction of the Tariff scheme in 2002. Given the nature of the small volume of remaining cases to be settled, the application of historical averages would not be an appropriate basis to calculate the liability. The liability is based on a case-by-case basis reflecting the nature and characteristics of each case.

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 as detailed below:

- **re-calculation of provisions to reflect the change in the Personal Injury Discount Rate** - the provision for liabilities associated with Personal Injury related compensation claims (*Tariff and Criminal Injury 1988 Order*) reflects the estimated impact arising from the change in the Personal Injury Discount Rate from -1.75% to -1.50% on 22 March 2022. The rate impacts the quantum associated with those Personal Injury related cases where a future financial loss claim is received. This may encompass loss of future earnings, pension costs and the cost of covering future specialist care and rehabilitation requirements arising from the impacts of the injury suffered by the applicant. The lower the value of the discount rate is, the higher the settlement of a claim will be.

The new rate of -1.50% was set by the Government Actuary’s Department under the *Damages (Return on Investment) Act (Northern Ireland) 2022* legislation. It results in the amount due to a claimant being lower than the same settlement would have been at the previous rate of -1.75%. The estimated impact of this rate change is to reduce the provision for compensation claims by £0.69m. The actuarial tables developed by GAD, commonly referred to as the ‘Ogden tables’, are the defined set of statistical tables and other information that are used to calculate future losses in Personal Injury and Fatal Accident cases at the -1.50% rate.

- **estimated settlement value for High value Personal Injury related and Criminal Damage cases** - there is no defined schedule of compensation rates to cover:
 - (a) claims for financial loss under the Tariff Scheme;
 - (b) damage and consequential financial loss claims under the Criminal Damage scheme; and
 - (c) claims for both injury and any associated financial loss under *Criminal Injuries (Compensation) (Northern Ireland) Order 1988*.

The provisions model determines the estimated settlement value for the above categories of cases classified as high value based on a review of current case evidence, the amount claimed by the applicant and the lowest current assessed settlement position as determined by the Department.

15.4 Compensation payments - £32.616m (2020-21: £45.105m) (continued)

- **average compensation cost** - this is based on an analysis of historical payment values and volumes of closed cases across the Tariff and Criminal Damage schemes that have resulted in an award of compensation. This excludes any cases classified as high value across both schemes. An average cost by scheme is applied to the volume of open cases per scheme excluding those cases identified as high value cases.
- **cases received that result in an award of compensation** - it is expected that a proportion of claims received will ultimately result in an award for compensation. The provision model analyses historical claim data from the CIDMIS system to derive an estimated percentage of cases that will result in an award of compensation. This percentage is applied to the open claim volume to calculate a volume of claims to be provided for.

Timings

Only a small proportion of criminal compensation provisions are expected to be paid more than five years after the reporting date. Given the underlying assumptions applied to volumes and costs, the Department has not discounted future cash flows disclosed in the financial statements.

15.5 Provision for litigation claims - £12.623m (2020-21: £17.326m)

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.

Court of Appeal judgment on backdated holiday pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for June 2021 but this has subsequently been adjourned and re-listed for December 2022. The 2021-22 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020.

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

- the appeal to the Supreme Court (as detailed above);
- lack of accessible data for years previous to 2011;
- ongoing negotiations with Trade Unions; and
- obtaining relevant approvals.

16. Pension liabilities

	2021-22 £000	2020-21 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Balance at 1 April	1,453	1,376
Provided in the year	-	-
Provisions not required written back	-	-
Provisions utilised in the year	(48)	(47)
Borrowing costs	18	24
Actuarial loss	65	100
Balance at 31 March	1,488	1,453

This pension liability relates to the Broadly By Analogy pension scheme outlined below in Note 16.2.

16.1 Analysis of expected timing of discounted flows

	2021-22 £000	2020-21 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Due within one year	48	47
Due later than one year and not later than five years	190	189
Due later than five years	1,250	1,217
Balance at 31 March	1,488	1,453

16.2 Broadly By Analogy pension schemes - £1.488m (2020-21: £1.453m)

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 2022 were £1.488m (31 March 2021: £1.453m) as per the actuarial valuation.

Present value of scheme liabilities	2021-22 £000	2020-21 £000	2019-20 £000
Current pensioners	1,488	1,453	1,376
Total	1,488	1,453	1,376

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

Assumptions	2021-22 %	2020-21 %	2019-20 %
Discount rate	1.55	1.25	1.80
Future increase in CPI	2.90	2.22	2.35
Discount rate (net of CPI)	(1.30)	(0.95)	(0.5)
Future rate of pension increases in payment	2.90	2.22	2.35

Assumptions - Life expectancy at Retirement

Current Pensioners	2021-22 Years	2020-21 Years	2019-20 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

	2021-22 £000	2020-21 £000
At 1 April	1,453	1,376
Benefits paid	(48)	(47)
Interest cost	18	24
Actuarial loss	65	100
Closing value of liability	1,488	1,453

Expense to be recognised in the Statement of Comprehensive Net Expenditure

	2021-22 £000	2020-21 £000
Service cost	-	-
Interest cost	18	24
Total expense	18	24

16.2 Broadly By Analogy pension schemes - £1.488m (2020-21: £1.453m) (continued)

Actuarial (gain)/loss to be recognised in the Statement of Comprehensive Net Expenditure	2021-22 £000	2020-21 £000
Changes in financial assumptions	81	100
Experience (gains)	(16)	-
Total actuarial loss	65	100

History of experience (gains)/losses	2021-22	2020-21	2019-20	2018-19	2017-18
Experience (gain)/loss arising on scheme liabilities:					
Amount (£000)	(16)	-	3	12	56
Percentage of scheme liabilities at the end of year	(1.1%)	0%	0.2%	1.0%	4.4%

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 £000
Discount rate	Increase by 0.1%	(24)
	Decrease by 0.1%	24
CPI inflation	Increase by 0.1%	23
	Decrease by 0.1%	(23)
Life expectancy	Increase by 1 year	45

Covid-19

As with the accounts last year, the 2021-22 financial statements are being produced when the UK continues to deal with the Covid-19 pandemic. It remains 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 2022. 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.

The assumptions for the discount rate and pension increases are specified by HM Treasury in the PES (2021) 10, dated 13 December 2021, and remain unchanged for these accounts. The PES assumptions reflect market conditions at the previous 30 November and are typically not amended for any changes between November and the accounting date.

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 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 (HRA)*. At the time of producing these financial statements, a total of 171 writs and civil bills have been issued challenging the decision of NICTS to refuse compensation.

The statutory limitation time point was tested in the County Court in May 2018, May 2019, September 2019 and February 2020. All four Civil Bills were struck out with no order to pay costs. The first High Court legal challenge seeking an extension to the one year limitation period was heard in November 2021 with the judgment delivered in January 2022. Although the Court dismissed the plaintiff's common law claim (Tort), it exercised discretion and extended the limitation time limit beyond 12 months to allow the Plaintiffs HRA claim. The Court was satisfied there was a breach of Articles 5 and 6 and made an award of £5,000 to the Plaintiff for each period of imprisonment. A number of ongoing County Court cases have been adjourned pending the outcome of this High Court case.

NICTS is currently considering how best to deal with the remaining Writs and Civil Bills. With significant potential damages and legal fees, it would not be justifiable to defend all cases and therefore it might be prudent to create a payment scheme to settle cases with similar characteristics, with a view to avoiding the cost of fighting potentially unwinnable cases. However, legal advice suggests that the justification to create such a scheme does not yet exist. Essentially, sufficient knowledge is not currently available to develop an appropriate scheme because the parameters of that scheme are not known and would require further direction from the Court. While the Court extended time in the recent case, another Court hearing a different case may reach a different conclusion as the circumstances of each claim vary. It is likely that NICTS will contest at least one case in the coming year in order to get greater clarity from the Court on the extent of the limitation period it may consider as equitable.

Due to the significant amount of unknowns at present and the requirement for further work to be carried out in the upcoming financial year, NICTS is unable to put a value to the potential financial impact of the judgment.

(ii) *McCloud/Sargeant ruling*

When new public service pension schemes were introduced in 2015, transitional protection allowed older workers to continue building pension in the legacy schemes while younger workers were moved into the 2015 schemes. Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the judiciary in the McCloud/Sargeant legal case and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age.

Following this ruling, a significant number of claims have been received by the Department relating to 'injury to feelings' arising from the transitional protection arrangements having been found to be discriminatory. The Department intends to robustly defend its position against the claims and consequently has not made any provision in the financial statements for any potential liability.

(iii) *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

£1.830m (2020:21: £2.118m) 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.

	2021-22 £000	2020-21 £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	1,165	1,840
Due later than one year and not later than five years	877	1,963
Due later than five years	-	-
	2,042	3,803
<i>Equipment</i>		
Due within one year	43	-
Due later than one year and not later than five years	147	-
Due later than five years	-	-
	190	-
Total	2,232	3,803

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) - Laganside 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 £3.127m (2020-21: £2.854m). Total future obligations under 'on-balance sheet' arrangements are given in the table below for each of the following periods:

	2021-22 £000	2020-21 £000
	Core Department and Agencies	Core Department and Agencies
Minimum lease payments:		
Due within one year	2,182	2,182
Due later than one year and not later than five years	8,119	8,728
Due later than five years	-	1,573
	10,301	12,483
Less interest element	(1,229)	(1,745)
Present value of obligations	9,072	10,738
Service elements due in future periods:		
Due within one year	1,496	1,395
Due later than one year and not later than five years	5,914	5,683
Due later than five years	-	1,039
Total service elements due in future periods	7,410	8,117
Total commitments	16,482	18,855

20. Capital and other commitments

20.1 Capital commitments

	2021-22 £000	2020-21 £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	1,834	6,164
Intangible assets	306	107
Total	<u>2,140</u>	<u>6,271</u>

20.2 Other financial commitments

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

	2021-22 £000	2020-21 £000
	<u>Core Department and Agencies</u>	<u>Core Department and Agencies</u>
Due within one year	3,285	3,999
Due later than one year and not later than five years	1,963	2,314
Due later than five years	-	-
Total	<u>5,248</u>	<u>6,313</u>

Of the total commitments noted above, £1.830m (2020-21: £2.237m) relates to the Causeway IT contract. Causeway is a strategically important IT system that 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 remaining balance of £3.418m (2020-21: £4.076m) relates to non-cancellable contracts (which are not leases or PFI contracts) for ICT services, planned maintenance, costs relating to 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.

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 2021 £000	Gross Inflows £000	Gross Outflows £000	31 March 2022 £000
Monetary assets such as bank balances and monies on deposit	100,809	131,543	(125,954)	106,398
Listed securities	221,453	65,505	(47,427)	239,531
Total	322,262	197,048	(173,381)	345,929

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 reporting date to which it was not practical to ascribe monetary values comprised:

Core Department and Agencies	2021-22 Number of cases	2020-21 Number of cases
Property assets	1,036	746

23. Entities within the Departmental boundary

The entities within the boundary during 2021-22 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;
- 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;
- Northern Ireland Charity Tribunal;
- Northern Ireland Health and Safety Tribunal;
- Northern Ireland Traffic Penalty Tribunal;
- Northern Ireland Valuation Tribunal;
- Parole Commissioners;
- Pensions Appeal Commissioners;
- Pensions Appeal Tribunal;
- Planning Appeals Commission;
- Prisoner Ombudsman;
- Review Tribunal;
- Social Security and Child Support Commissioners;
- Special Educational Needs and Disability Tribunal;
- State Pathologist's Department; and
- Water Appeals Commission.

24. Events after the reporting period

There were no events after the reporting period date that required adjustment to or disclosure in these financial statements.

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 7 July 2022.

ACRONYMS

Acronym	Details
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AMPS	Assembly Members' Pension Scheme
ASB	Anti-Social Behaviour
BBA	Broadly By Analogy
BCP	Business Continuity Planning
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CCM	Cost Cap Mechanism
CETV	Cash Equivalent Transfer Value
CFER	Consolidated Fund Extra Receipt
CJINI	Criminal Justice Inspection Northern Ireland
CoA	Court of Appeal
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
CSP	Civil Service Pensions
CSR	Corporate social responsibility
DAERA	Department of Agriculture, Environment and Rural Affairs
DARC	Departmental Audit and Risk Committee
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
DPO	Data Protection Officer
EEl	Employee Engagement Index
FReM	Financial Reporting Manual
FSNI	Forensic Science Northern Ireland
GAD	Government Actuary's Department
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
HRA	Human Rights Act
HSC	Health & Social Care
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
IROC	Information Risk Owners' Council
IS	Information Security
JPS	Judicial Pension Scheme
JSA	Judicial Service Awards
LAMS	Legal Aid Management System
LCM	Legislative Consent Motion
LPS	Land and Property Services
LSANI	Legal Services Agency Northern Ireland
MoJ	Ministry of Justice
NDPB	Non-Departmental Public Body
NEBM	Non-Executive Board Member
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
NICS HR	Northern Ireland Civil Service Human Resources
NICTS	Northern Ireland Courts and Tribunals Service

ACRONYMS (continued)

Acronym	Details
NIJPS	Northern Ireland Judicial Pension Scheme
NILGOSC	Northern Ireland Local Government Officers' Superannuation Committee
NIPS	Northern Ireland Prison Service
NISRA	Northern Ireland Statistics and Research Agency
ONS	Office for National Statistics
PAC	Public Accounts Committee
PCSPS(NI)	Principal Civil Service Pension Scheme (Northern Ireland)
PES	Public Expenditure System
PfG	Programme for Government
PFI	Public Finance Initiatives
PPANI	Public Protection Arrangements Northern Ireland
PPC	Prisoners' Private Cash
PPE	Personal Protective Equipment
PPP	Public Private Partnership
PPS	Public Prosecution Service
PSNI	Police Service of Northern Ireland
RICS	Royal Institution of Chartered Surveyors
RoFP	Review of Financial Process
RPI	Retail Price Index
SCNE	Statement of Comprehensive Net Expenditure
SCS	Senior Civil Servant
SOAS	Statement of Outturn against Assembly Supply
SoFP	Statement of Financial Position
SOLA	Sexual Offences Legal Advisers
VAT	Value Added Tax
VER	Voluntary Early Retirement
VFM	Value for Money
YJA	Youth Justice Agency