

# DEPARTMENT OF JUSTICE

## ANNUAL REPORT AND ACCOUNTS 2022-23

HC 1589



Department of  
**Justice**

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An Roinn Dlí agus Cirt

Máinnystrie O tha Laa

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# **DEPARTMENT OF JUSTICE**

## **ANNUAL REPORT AND ACCOUNTS 2022-23 For the year ended 31 March 2023**

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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 2022-23 for the Department of Justice (DoJ) which has been my first full year as Permanent Secretary and Accounting Officer following my appointment on 4 April 2022.

This year has been an extremely difficult year for the Department, with no Executive in place during the financial year and the Minister in a caretaking role up to end October 2022. This has brought many challenges and, in particular, has had a significant impact on the delivery of planned legislation. Added to this has been dealing with the impacts of budgetary and resourcing pressures faced across the Department, which impacts on the delivery of our key priorities. The *Northern Ireland (Executive Formation etc) Act 2022* has provided a framework for progressing decisions in the absence of a Minister which has enabled some of the work of the Department to continue.

In spite of these challenges, I remain hugely impressed by the commitment of colleagues across the Department. The Department continued to make progress against our strategic themes throughout 2022-23 which is outlined in greater detail in the Performance Report. I would like to thank colleagues for their continued contributions.

### **STATEMENT OF PURPOSE AND ACTIVITIES**

#### **Statutory background**

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**

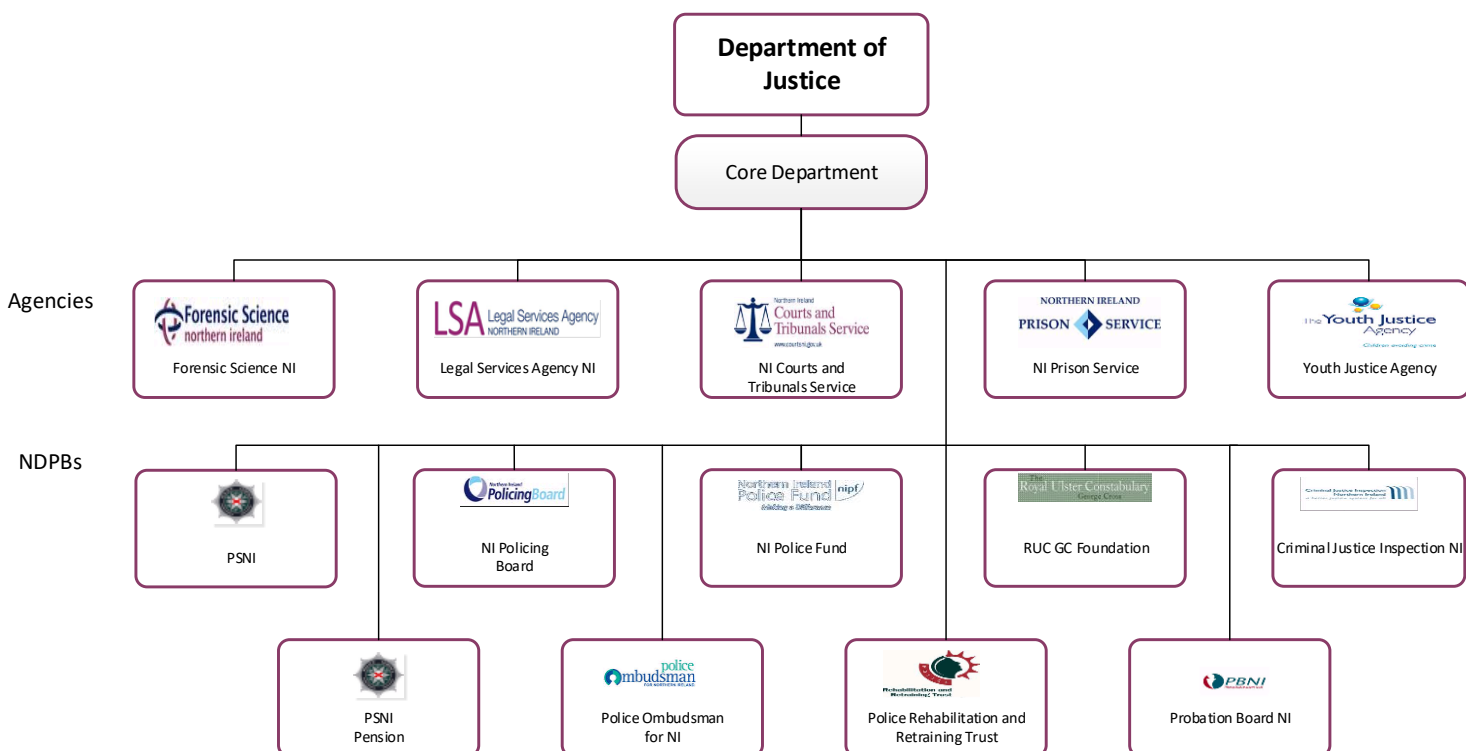
Our mission is “to work in partnership to create a fair, just and safe community where we respect the law and each other”. However, we recognise that we can only deliver effectively by working together with our delivery partners across the wider justice system, with other Government departments, and 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.

## DEPARTMENTAL BOUNDARY

The overall structure of the Department for accounting purposes is outlined below:



The Accounts of the Department comprise a consolidation of the income, expenditure, assets and liabilities of the 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;

### Executive Agencies

- 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).

### NDPBs and Pension Schemes

- Criminal Justice Inspection Northern Ireland (CJINI);
- Northern Ireland Police Fund (NIPF);
- Northern Ireland Policing Board (NIPB);
- Office of the Police Ombudsman for Northern Ireland (OPONI);
- Police Rehabilitation and Retraining Trust (PRRT);
- Police Service of Northern Ireland (PSNI) and PSNI Police Pensions;
- Probation Board for Northern Ireland (PBNI); and
- RUC George Cross Foundation.

These organisations prepare separate annual reports and accounts that are audited by the Comptroller and Auditor General, and links to their websites are contained in Annex 2.

## PERFORMANCE SUMMARY

The 2022-23 DoJ 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 four strategic themes:

- Support safe and resilient communities;
- Address harm and vulnerability;
- Challenge offending behaviours and support rehabilitation; and
- Deliver an effective justice system.

Under these four strategic themes, 16 actions and 40 deliverable outcomes were developed and assigned across the Department's organisational business areas. A summary of progress under each strategic theme is set out below.

### *Support safe and resilient communities*

A priority for the Department under this theme included engaging partners to reduce the vulnerability of businesses and individuals from the harm caused by crime. In particular, work was progressed on the development of a three-year Modern Slavery and Human Trafficking Strategy to ensure that Northern Ireland is best equipped to identify and eradicate Modern Slavery and Human Trafficking offences. Following the completion of a consultation in January 2023, responses are being considered to inform a revised strategy.

Legislative instructions for proposals needed to reinforce the response to organised crime through the introduction of new provisions to investigate, disrupt, prosecute and bring to justice those involved in serious organised crime, have been informed by a public consultation. A summary of responses to the consultation sets out the next steps which will be taken forward in line with actions in the Organised Crime Strategy 2021-2024. The ability to advance the legislative changes, however, are impacted by the lack of a functioning Executive and Assembly.

Work also continued to engage with our partners to help improve community relations and tackle paramilitary activity. The Department continued to support the co-ordination of the Executive Programme on Paramilitarism and Organised Crime, which supports people and communities across Northern Ireland who are vulnerable to paramilitary influence. Available data suggests that between 15% and 30% of people in Northern Ireland live in an area which experiences paramilitary fear and intimidation. Data has also helped understanding on what is working to address issues within communities, which helps demonstrate overall benefits of the programme. Projects in place continue to work with individuals with highly complex needs including mental health issues, addiction issues, experience of trauma, and poor family, community, and peer support.

Progress continues to be made alongside statutory and community partners to support delivery of key community safety priorities including tackling anti-social behaviour and hate crime. Following analysis of responses to Phase One of a consultation on hate crime legislation, policy priorities were approved by Naomi Long, the then Minister of Justice. Engagement also continued with criminal justice partners on development of Phase One policies and potential implementation issues - through a Steering Group and via workshops. The Summary of Phase One Consultation plus Call for Views and Way Forward document were published in March 2023. Policy development has begun on Phase Two policy issues including engagement with relevant community and voluntary groups, in advance of further consultation planned in 2023-24.

During 2022-23, seven of nine powers highlighted as part of the Anti-Social Behaviour (ASB) legislative Review were fully considered by an ASB Delivery Group and a recommended approach agreed. The two remaining powers (community trigger/case review and on-street drinking) are due to be considered soon, which will complete the Review process. Research concerning ASB was commissioned from Queen's University Belfast and completed in-year with the aim of informing deliberations around proposed legislative change. Work also commenced in preparation for a joint public consultation in 2024 with the Department for Communities on proposed legislative changes including changes concerning Anti-Social Behaviour Orders, on-street drinking and housing orders concerning ASB.



## Departmental Business Plan (continued)

### *Support safe and resilient communities (continued)*

Progress continued towards the reduction or removal of interface security structures, sometimes referred to as 'peace-walls', to contribute to the development of a more shared society. Of 59 structures that are the responsibility of the DoJ, a third have been removed, a third have been reduced and the remainder are the subject of community consultation to develop an appropriate reduction or removal scheme. During 2022-23, two solid interface barriers that had been in place for over 35 years in North Belfast were removed, with vehicular and pedestrian gates now open 15 hours every day, reducing inconvenience and improving accessibility for local people. Interface security gates at 11 locations had their opening hours extended during the year, including those controlling vehicular and pedestrian access between the Falls and Shankill areas. Overall, this represents a 36% increase in daily opening times since 2020. A further interface security fence was removed in West Belfast and most of the remaining interface security fencing along Derry's historic Walls has been removed.

### *Addressing harm and vulnerability*

Work continued through engagement with Executive colleagues and partners to protect those at risk and improve outcomes for those who experience domestic and sexual abuse. A Strategy Framework was agreed by the then Health and Justice Ministers in October 2022 to develop a new cross-Executive Domestic and Sexual Abuse Strategy, which takes cognizance of wider work to support a Violence against Women and Girls strategy. A Draft strategy was developed and published for consultation following engagement with stakeholders. Engagement also continued with The Executive Office (TEO) on development of a draft Ending Violence against Woman and Girls strategy.

The Department has continued to engage with partners to provide practical support to victims and witnesses of crime, and develop policies and legislation to protect those most vulnerable in our society. For example, measures continued to be taken to improve the experience of victims and witnesses within the criminal justice system through the implementation of prioritised commitments under the Victim and Witness Strategy. Notable progress to date includes ongoing funding for support services, work to improve the provision of services and information to victims and witnesses, provision of a Sexual Offences Legal Advice (SOLA) scheme, and preparatory work for priority initiatives including Pre-Recorded Cross Examination. A Victims of Crime Commissioner Designate who was appointed in June 2022, published a Strategic Plan in February 2023. The Department continues to work closely with the Commissioner Designate to support development of the Commissioner's Office.

Progress continued on implementation of prioritised recommendations from the Gillen Review of Serious Sexual Offences to improve protections, support experiences of vulnerable witnesses and victims of serious sexual offences. Over half of the recommendations from the Review are fully or partially implemented, with 42% fully completed and 23% partially completed. Notable developments include the ongoing delivery of the adult SOLA project, with over 1,000 people supported. Remote Evidence Centres in Belfast and Craigavon continue to allow vulnerable and child victims and witnesses to provide evidence remotely in a less daunting environment. Work has also been ongoing with the PSNI and TEO to develop and launch a "bystander" campaign to tackle unacceptable behaviours and micro-aggressions that can perpetuate gender-based violence. A consultation was also issued on other evidence of domestic abuse that will trigger an automatic prohibition on cross-examination in person.

Work was progressed with partners to support improved health (including mental health) within the justice system to maintain the safety and wellbeing of people in our care through the continued development, delivery and implementation of actions from the joint Department of Health (DoH)/DoJ Improving Health within Justice Strategy Action Plan. At the end of March 2023, 60% of the 45 actions have been either completed, embedded or closed; of the remaining live actions over 31% are on track for achievement.

The Department also continues to be involved in the implementation of relevant cross-government strategies which may have an impact on the health of those in our care. That has involved meetings with colleagues from the Scottish Government and the Ministry of Justice to discuss applying trauma informed practice in custodial settings and attendance at the Forensic Managed Care Network Advisory Board meeting.

## Departmental Business Plan (continued)

### *Challenge offending behaviours and support rehabilitation*

The Department has continued to seek to improve the outcomes for those in contact with the justice system 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. For example, good progress has been made on delivery of Year 1 actions within the Adult Restorative Justice Strategy Action Plan. The most significant piece of work delivered has been a review of the 2007 Protocol governing Restorative Justice and Accreditation, with a report from an Independent panel published in February 2023. This will also enable a number of other longer-term actions to be progressed. Other actions completed this year include: testing and developing processes for victim-initiated engagement in Restorative Justice; the establishment of a service-user forum for victims by the Probation Board for Northern Ireland; development and delivery of Restorative Justice training to staff and volunteers of a number of partner organisations; and closer links with the Restorative Justice Council to standardise services and learn from best practice.

Progress has also been made to support women and girls at risk of, or in contact with, the justice system with the development of two action plans, one for Women and another for Girls in contact with the justice system, to support the Strategy. While stakeholder engagement is underway, progress has been hindered by their ability to commit to actions due to the lack of certainty for the 2023-24 year and beyond. Throughout 2022-23, a wide range of engagement took place with key criminal justice partners to refine the organisational requirement for electronic monitoring. A tender exercise to deliver a new Electronic Monitoring contract is expected to launch in early 2023-24.

The Department made further progress to deliver on actions 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. Work with the DoH and Department of Education to develop and implement a Regional Care and Justice Campus Programme continued during the year, with some notable progress to harmonise a range of services between Woodlands Juvenile Justice Centre and Lakewood Secure Care Centre. A new Association for Community Organisations for Reform Now (ACORN) multi-disciplinary health and therapeutic care service is now operational across both sites and plans are at an advanced stage to share leisure facilities, pilot sharing vocational training provision and to progress the introduction of the Northern Ireland Framework for Integrated Therapeutic Care across the two facilities.

Implementation of the Strategic Framework for Youth Justice Action Plan has progressed well in its first year and the Department has been working on an annual progress report which it intends to publish early in summer 2023. All of the actions marked for delivery in the first year have been taken forward, including the consultation to seek views on increasing the Minimum Age of Criminal Responsibility, the roll-out of an Enhanced Case Management framework and improved support for families of children in contact with the Youth Justice Agency (YJA).

## Departmental Business Plan (continued)

### *Deliver an effective justice system*

The Department has continued to work with criminal justice partner organisations within the Criminal Justice Board to continue the recovery and reform of the justice system from the impacts of the Covid-19 pandemic. Recovery continues to be monitored closely, with a focus on reducing volumes through the Speeding Up Justice programme by reducing the demand on the justice system.

A return to full and normalised operational delivery of regimes and services for people in custody within prison establishments was completed during 2022-23, with the safeguards required in response to the Covid-19 pandemic removed. However, partially due to the justice system's recovery from the pandemic, the prison population has increased and continues to rise, totalling over 1,800 at 31 March 2023 with the potential of increasing further. This has placed sustained additional pressure on the regime and service delivery at establishments, particularly at Maghaberry Prison. Ministerial approval was secured in August 2022 to increase the operational staffing levels in the Northern Ireland Prison Service (NIPS) to counterbalance the pressures. The continued rise in population will require further mitigation if safe and decent custody is to be preserved.

The Department has aimed to support the continued modernisation and transformation of the civil and criminal justice systems. For example, good progress was made on a rolling programme of actions for civil and family justice modernisation. That includes the issue of a general authority for mediation in non-family proceedings, consultations on pro bono costs orders and the extension of registered intermediary support to civil and family proceedings, as well as development of a number of tools for separating parents under the Private Family Law Early Resolution Action Plan. It was necessary, however, to pause significant elements of the programme as a consequence of budgetary constraints.

The Department has made progress to ensure civil and family justice cases are dealt with at the most appropriate court tier and that minors and other vulnerable litigants have any necessary protections. Court Rules on special measures for victims of domestic abuse have been made and are in operation. Following engagement with the Lady Chief Justice's Office, a direction has been issued by the Lady Chief Justice to allow the Official Solicitor to support minor parties or those without mental capacity in family proceedings in Magistrate's Courts.

The Speeding Up Justice programme to provide leadership and support regarding initiatives targeted at reducing avoidable delay within the criminal justice system continues to develop and has been a priority of the Criminal Justice Board throughout the year. Work is ongoing on the development of a strategy to tackle the issue in the medium to longer term.

The Department has agreed a draft legislative programme to progress legislative reforms across a number of areas but progress has been hampered by the lack of a functioning Assembly and Executive. Proposed amendments to the Judicature Act (Taxation Reform) and to Land Registration Act (updating the Statutory Charges Register) have been accepted and will be included in a proposed Modernisation of Justice Bill. Further progression of legislative reforms will be dependent on any incoming Minister.

The Department continued to support the effective delivery of justice through effective scientific support services, promotion of sustainability, budget management and development of staff across the year. A Draft Outline Sustainability Strategy was considered by the Department's Asset Management Board in January 2023, with publication expected by summer 2023. The Department has also provided input to the first Executive wide Northern Ireland Climate Action Plan, which is due to issue for public consultation during 2023-24. A progress report on Year 1 actions within the Northern Ireland Forensic Services Strategy was published in November 2022.

The Department has also managed the Department's finances throughout a challenging 2022-23. The budgetary outlook for 2023-24 is increasingly challenging and will impact on the delivery of services going forward. An action plan to support development of the Department's people was published and circulated to staff. Activities progressed include familiarisation sessions for new staff recruited to the Department, establishment of a Menopause Support Group, a refreshed list of Harassment Contact Officers within the Department and establishment of a pilot of Mentoring Circles for staff at Staff Officer Grade, which has been very well received.

## Departmental Business Plan (continued)

### *Deliver an effective justice system (continued)*

Prisons 25 by 25, a continuous improvement programme for NIPS, has been published with the Year 1 delivery plan agreed and delivered, and the Year 2 plan now in development. Implementation of the recommendations from the review of support services to current and former prison officers also progressed well. Of the 24 actions within the strategic recommendations regarding current staff, 18 have been fully implemented. The recommendations for former staff have been fully implemented and the service is being provided by the Police Rehabilitation and Retraining Trust.

The Department has continued to support the effective operation of devolved tribunals in Northern Ireland which fall within our responsibility, with a new UK wide judicial pension scheme operational from April 2022. Work has also been ongoing to address the McCloud age discrimination present in the Northern Ireland Judicial Pension Scheme. Work also continues with partners to ensure devolved judicial appointments are effectively facilitated and to support an effective justice system by taking forward policy in relation to pay and conditions of appointments of the devolved judiciary.

Progress to develop improved court, tribunal and enforcement services that meet the needs of our stakeholders continued at pace with the development of a Northern Ireland Courts and Tribunals Service (NICTS) Estates Strategy as part of the Vision 2030 portfolio. A strategic review of the Strategic Outline Case for a North West Accommodation project was completed in year. As part of an agreed programme of digital modernisation and service redesign projects, the procurement of our Future Core Solution IT system has commenced. In addition, 64 courtrooms have been completed to date as part of an ongoing programme of Courtroom technology upgrades.

### Forward look

On 27 April 2023, the Secretary of State for Northern Ireland set out the budget position for 2023-24, providing to the Department of Justice a non-ringfenced Resource DEL budget of £1,122m (excluding HM Treasury (HMT) funding for Additional Security and the Northern Ireland Protocol). This reflected an effective reduction against the Department's baseline of 1.7%. The Budget further provided a ringfenced budget of £93m and a Capital DEL budget of £129m.

This budget settlement presents an extremely difficult position for the Department to manage and will significantly impact on how we are able to deliver our full range of our services going forward. As a Department we have been required to make some difficult budgetary decisions and as a result business areas have been required to take action to reduce spend to live within the allocated Budget.

Actions that have been taken include vacancy management, pausing recruitment, stopping all discretionary spend and not commencing new areas of spend. The Department will continue to manage this situation over the course of the period.

**PERFORMANCE ANALYSIS**

**Performance against Business Plan for 2022-23**

<b>Strategic Theme 1: Support Safe and Resilient Communities</b> We will work with our partners to help build safe and resilient communities and reduce the vulnerability of individuals to becoming a potential victim and/or offender. We will empower communities, businesses and individuals to protect themselves from becoming a victim of crime and will work with within a multi-agency partnership model to support responses to cross-cutting community safety issues, and will address criminality and coercive control within our communities through proactive collaboration and local problem solving.			
Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
1.1	To engage with our partners to reduce the vulnerability of businesses and individuals from the harm caused by crime.	Develop, consult and publish a three-year Modern Slavery and Human Trafficking Strategy to ensure Northern Ireland is equipped to identify and eradicate Modern Slavery and Human Tracking offences.	<b>Partially Achieved</b> Consultation on a Draft Strategy and Progress Paper closed in January 2023. All responses have been collated and analysed; the outcome of the consultation will inform the revised Strategy.
		Develop legislative instructions for proposals needed to reinforce the response to organised crime through the introduction of new provisions to investigate, disrupt, prosecute and bring to justice those involved in serious organised crime.	<b>Partially Achieved</b> A summary of responses to a consultation on proposals was published in October 2022. Draft legislative instructions have been prepared but progress is subject to a functioning Executive and Assembly.
1.2	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, including progression of legislative reviews on these issues.	<b>Achieved</b>
		Support the co-ordination of the Executive Programme on Paramilitarism and Organised Crime which supports people and communities across Northern Ireland who are vulnerable to paramilitary influence. This programme is delivered collaboratively by government departments, statutory agencies and partners in the voluntary and community sector.	<b>Achieved</b>
		Continued progression of the Interfaces Programmes, with further reduction and removal of the number of interface structures to contribute to the development of a more shared society.	<b>Achieved</b>

<b>Strategic Theme 2: Address Harm and Vulnerability</b> We will work with partners to provide early stage diversionary approaches to address issues that contribute to offending behaviours. We will provide practical support to victims, and develop policies and legislation to protect those most vulnerable in our society.			
Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
2.1	To work with Executive colleagues and partners to protect those at risk and improve outcomes for those who experience domestic and sexual abuse.	Consult on and develop a new cross-Executive Domestic and Sexual Abuse Strategy, taking cognizance of wider work to support a Violence against Women and Girls strategy.	<b>Achieved</b>
2.2	To engage with partners to provide practical support to victims and witnesses of crime and develop policies and legislation to protect those most vulnerable in our society.	Improve the experience of victims and witnesses within the criminal justice system through: <ul style="list-style-type: none"> <li>the implementation of prioritised commitments under the Victim and Witness Strategy; and</li> <li>the representation of victims of crime by the appointment of a Victims of Crime Commissioner Designate.</li> </ul>	<b>Achieved</b>
		Continued implementation of prioritised recommendations from the Gillen Review of Serious Sexual Offences to improve protections, support and experiences of vulnerable witnesses and victims of serious sexual offences.	<b>Partially Achieved</b> A dedicated Gillen Programme Board has identified delivery priorities aligned to resourcing, capacity and access to Assembly and is overseeing delivery.  Good progress has been made with over half of the recommendations fully or partially implemented; 42% are fully completed and 23% partially completed.

<b>Strategic Theme 2: Address Harm and Vulnerability</b> We will work with partners to provide early stage diversionary approaches to address issues that contribute to offending behaviours. We will provide practical support to victims, and develop policies and legislation to protect those most vulnerable in our society.			
Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
		Implement the provisions of the <i>Domestic Abuse and Civil Proceedings Act (NI) 2021</i> to prevent the direct cross-examination of victims by perpetrators in family proceedings.	<p><b>Not Achieved</b></p> <p>Ongoing engagement with the legal profession on a framework of proposed fees for legal representatives to undertake the cross-examinations, but that is subject to funding which is still to be secured.</p> <p>A consultation issued on other evidence of domestic abuse that will trigger an automatic prohibition on cross-examination in person.</p> <p>Work on secondary legislation, guidance and operational arrangements required in support is ongoing.</p>
2.3	Work with partners to support improved health (including mental health) within the justice system to maintain the safety and wellbeing of people in our care.	Continued development, delivery and implementation of actions from the joint DoH/DoJ Improving Health within Justice Strategy Action Plan.	<b>Achieved</b>
		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.	<b>Achieved</b>

**Strategic Theme 3: Challenge Offending Behaviours and Support Rehabilitation**

We will work with people who offend to challenge their behaviour and support them to become active and responsible citizens. Working with our partners we will promote rehabilitation; and when a custodial sentence is imposed our focus will be on resettlement leading to integration back into society.

Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
3.1	To improve the outcomes for those in contact with the justice system 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.	Implementation of the recently published Adult Restorative Justice Strategy.	<b>Achieved</b>
		Development and implementation of an action plan to support the strategy for women and girls at risk of, or in contact with the justice system.	<b>Partially Achieved</b> Two action plans, one for Women and another for Girls, who come into contact with the justice system have been developed. While stakeholder engagement is underway, the ability to commit to actions has been impacted by the lack of certainty of available budget for 2023-24 and beyond.
		Development of a procurement exercise to deliver an Electronic Monitoring contract that is responsive to justice policy needs.	<b>Achieved</b>
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.	Continue to develop a strategic approach to Earlier Stage Diversion by working with partners to create additional alternatives to children entering the formal justice system.	<b>Partially Achieved</b> A new Earlier Stage Diversion scheme (which will supplement existing schemes) has been designed. There has been some delay in implementation, however, due to the need for stakeholders to agree and implement significant changes to their IT and data management systems to support the pilot.  Discussions have been ongoing with the PSNI to explore options to extend the offence criteria of the Community Resolution Notices (CRN) Referral Scheme.
		Work with DoH and Department of Education to develop and implement a Regional Care and Justice Campus Programme to better support the needs of vulnerable children including those in the justice system.	<b>Achieved</b>
		Implement the new Strategic Framework for Youth Justice Action Plan, with a focus on those actions which are to be delivered in the short-term i.e. within one year of publication.	<b>Achieved</b>



**Strategic Theme 4: Deliver an Effective Justice System**

We will lead work to make our justice system faster and more effective, and more importantly, to serve the needs of those who engage with it. We will ensure appropriate access to justice for our citizens. We will also deliver a system, which supports other court users in the early and proportionate resolution of civil and family proceedings. We will support and empower people working within the justice system to deliver effectively.

Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
4.1	To support recovery and reform of the justice system from the impacts of Covid-19.	Work with criminal justice partner organisations and support the Criminal Justice Board to continue the recovery of the criminal justice system from the impacts of Covid-19, ensuring a coordinated and innovative approach.	<b>Achieved</b>
		Complete a return to full and normalised operational delivery of regimes and services for people in custody within prison establishments.	<p><b>Not Achieved</b></p> <p>Formal operational recovery was completed in 2022-23 when safeguards required in response to the risks of Covid-19 were removed.</p> <p>However, partially due to the recovery of the wider justice system following the pandemic, the prison population has increased and continues to rise.</p> <p>This placed sustained additional pressure on regime and service delivery at establishments. Ministerial approval was secured in August 2022 to increase the operational staffing levels in NIPS to counterbalance the pressure at that time and the continued rise in population will require further mitigation if safe and decent custody is to be preserved.</p>
		Provide support to those staff who are in the workplace full time, support the implementation of new innovative working practices developed as a result of the pandemic and facilitate the return of staff to the office under the NICS New Ways of Working Policy.	<b>Achieved</b>

**Strategic Theme 4: Deliver an Effective Justice System**

We will lead work to make our justice system faster and more effective, and more importantly, to serve the needs of those who engage with it. We will ensure appropriate access to justice for our citizens. We will also deliver a system, which supports other court users in the early and proportionate resolution of civil and family proceedings. We will support and empower people working within the justice system to deliver effectively.

Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
4.2	To support the continued modernisation and transformation the civil and criminal justice systems.	Implementation of a rolling programme of civil and family justice modernisation.	<p><b>Partially Achieved</b></p> <p>Good progress was made on the rolling programme of actions in the early part of the year including:</p> <ul style="list-style-type: none"> <li>• issue of a general authority for mediation in non-family proceedings;</li> <li>• launch of consultations on pro bono costs orders and the extension of registered intermediary support to civil and family proceedings;</li> <li>• evaluation of the expert witness pilot;and</li> <li>• development of a number of tools for separating parents under the Private Family Law Early Resolution Action Plan.</li> </ul> <p>Significant elements of the programme have, however, been paused as a consequence of budgetary constraints. In the absence of additional funding further progress cannot be made.</p>
		Progressing legislative reforms as agreed by the Minister.	<b>Achieved</b>
		Ensure civil and family justice cases are dealt with at the most appropriate court tier and that minors and other vulnerable litigants have any necessary protections.	<b>Achieved</b>
		Develop a policy on inquests into deaths abroad and proposals for any amending legislation.	<p><b>Partially Achieved</b></p> <p>A consultation exercise on legislative options has been completed and the responses will inform advice on policy proposals to a new Minister in due course.</p>

<b>Strategic Theme 4: Deliver an Effective Justice System</b>			
We will lead work to make our justice system faster and more effective, and more importantly, to serve the needs of those who engage with it. We will ensure appropriate access to justice for our citizens. We will also deliver a system, which supports other court users in the early and proportionate resolution of civil and family proceedings. We will support and empower people working within the justice system to deliver effectively.			
<b>Ref</b>	<b>Action</b>	<b>What we will deliver during 2022-23</b>	<b>Position at 31 March 2023</b>
		Lead on Speeding Up Justice programme to provide leadership and support regarding initiatives targeted at reducing avoidable delay within the criminal justice system in Northern Ireland. This is through a multifaceted work programme involving performance reporting; working in partnership; legislation; research and analysis; and, improvement projects.	<b>Achieved</b>
4.3	To support the effective delivery of Justice through effective scientific support services, promote sustainability, budget management and development of staff.	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.	<b>Partially Achieved</b> A Draft Outline Sustainability Strategy was considered by the Asset Management Board in January 2023, with final sign off and publication expected by summer 2023.  DoJ input has been provided for numerous requests from both the Department of Agriculture, Environment and Rural Affairs (DAERA) and Department for the Economy, including a request for input into the first Northern Ireland Climate Action Plan, ahead of public consultation.  A supporting DoJ Sustainability action plan for 2023-24 is being drafted and will accompany the Outline Sustainability Strategy, which will align with recent DAERA guidance.
		Continue to manage spend and pressures to reduce risk of an overspend.	<b>Achieved</b>
		Develop and implement an action plan to support and promote development of the Department's people.	<b>Achieved</b>
		Engage with our partners to deliver the NI Forensic Services Strategy and continue work to further develop and implement actions in support of integrated and improved forensic services.	<b>Partially Achieved</b> A Year 1 progress report was published in November 2022. Further progress was achieved against Year 2 deliverables, however this was impacted by high vacancy levels and financial pressures.

**Strategic Theme 4: Deliver an Effective Justice System**

We will lead work to make our justice system faster and more effective, and more importantly, to serve the needs of those who engage with it. We will ensure appropriate access to justice for our citizens. We will also deliver a system, which supports other court users in the early and proportionate resolution of civil and family proceedings. We will support and empower people working within the justice system to deliver effectively.

<b>Ref</b>	<b>Action</b>	<b>What we will deliver during 2022-23</b>	<b>Position at 31 March 2023</b>
4.4	Enhance the delivery of services to support NIPS staff and people in our care and further support operational prison staff to meet the challenges of working in a custodial environment.	Develop, publish and deliver Year 1 of the Prisons 25 by 25 Programme which will embed continuous improvement between 2022-2025.	<b>Achieved</b>
		Ongoing implementation of the recommendations from the review of support services to current and former prison officers.	<b>Achieved</b>
4.5	To improve the effectiveness of operational delivery by NIPS and outcomes it achieves through the ongoing implementation of recommendation made by Criminal Justice Inspection Northern Ireland (CJINI).	<p>Complete and evidence the implementation of recommendations made by CJINI in the following reports:</p> <ul style="list-style-type: none"> <li>• Court Custody - The detention of persons in the custody of the court in Northern Ireland;</li> <li>• Care and Supervision Units - A review into the operation of care and supervision units in the Northern Ireland Prison Service;</li> <li>• Magilligan Prison - Report Of An Unannounced Inspection Of Magilligan Prison, 21 May-10 June 2021; and</li> <li>• Inspection of Woodlands Juvenile Justice Centre 2022.</li> </ul>	<b>Achieved</b>
4.6	To develop a legislative programme for the new Assembly mandate and support delivery of the legislation in Year 1 of the programme.	Progress agreed Year 1 legislation and support business areas in planning and developing legislation for introduction during the mandate and oversee its delivery.	<b>Achieved</b>
4.7	To ensure effective implementation of legislative reforms from the previous mandate.	Work with partners to sequence and co-ordinate delivery of a suite of legislative changes, supported by proportionate programme and project management arrangements.	<b>Achieved</b>

**Strategic Theme 4: Deliver an Effective Justice System**

We will lead work to make our justice system faster and more effective, and more importantly, to serve the needs of those who engage with it. We will ensure appropriate access to justice for our citizens. We will also deliver a system, which supports other court users in the early and proportionate resolution of civil and family proceedings. We will support and empower people working within the justice system to deliver effectively.

Ref	Action	What we will deliver during 2022-23	Position at 31 March 2023
4.8	To support the effective operation of devolved tribunals in Northern Ireland for which the Minister has responsibility.	Ensure that a new judicial pension scheme is created and rolled out for all judges in Northern Ireland and to continue to manage the operation of the devolved Northern Ireland Judicial Pension Scheme.	<b>Achieved</b>
		Work with partners to ensure devolved judicial appointments are effectively facilitated and to support an effective justice system by taking forward policy in relation to pay and conditions of appointment of the devolved judiciary.	<b>Achieved</b>
4.9	To develop improved court, tribunal and enforcement services that meet the needs of our stakeholders.	As part of the Vision 2030 portfolio, develop an NICTS Estates Strategy.	<b>Achieved</b>
		Commence revision of the Strategic Outline Case for the North West Accommodation project.	<b>Achieved</b>
		As part of an agreed programme of digital modernisation and service redesign projects, commence the procurement of our Future Core Solution IT system.	<b>Achieved</b>
		Complete the ongoing programme of Courtroom Technology upgrades.	<b>Achieved</b>

## Risk Management

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

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

A Risk Management workshop was held in October 2022. This was led by the Director of Justice Delivery and was attended by senior representatives from across the Department, Agencies and Internal Audit. The rich discussion evidenced that risk management is well embedded across the DoJ. Following the workshop, the Risk Register was revised and updated and a new Risk Appetite proposed. This was subsequently approved by the Departmental Management Board. The issues log continues to be updated quarterly and provides assurance on the management of live issues.

The Departmental Board also approved a revised DoJ Risk Management Framework which supports the consistent and robust identification and management of opportunities and risks within desired levels across the Department supporting openness, challenge, innovation and excellence in the achievement of priorities. The Department's Risk Appetite Statement was revised to reflect that the Department strives to adopt an 'eager' risk appetite.

The key risks identified in 2022-23 included:

- **Budget** - insufficient financial resources to effectively balance existing pressures with Departmental priorities, statutory responsibilities and operational services;
- **Capability and Capacity** - inability to attract, recruit and retain staff across all grades and specialisms exacerbated by an insufficient supply of existing resource to ensure appropriate skills in place to deliver business priorities;
- **Collaboration** - difficulty in influencing stakeholders across the justice system and across other departments to gain commitment on shared priorities, reduces opportunities to maximise the delivery of services to meet the needs of the community;
- **Community Expectations** - public misconception of the role of the Department across the wider justice system results in failure to secure community buy-in to key policies and programmes, impacting on service delivery;
- **Cost of Living Crisis** - risk of increased crime as a result of the cost of living crisis leading to increased demand on front line services across the justice system;
- **Business Continuity** - a threat such as a pandemic (or another Covid surge), fire, electricity outages, flood, cyber-attack or other causes of operational failure impact on critical infrastructure or line of business that impacts on ability to deliver services or information systems or records, resulting in breaches to the availability, accuracy or confidentiality of information, including personal information;
- **Absence of an Executive** - limited capacity to take decisions and inability to progress new policies and legislation in the absence of an Executive or a Minister; and
- **Climate Change Actions** - inability to meet the financial costs of climate change/sustainability requirements.

An issues log is also used to capture the live issues being actively managed which are outside of the Department's control and are recorded alongside the Departmental Risk Register.

**FINANCIAL REVIEW**

**Budgeting framework**

The Department of Finance (DoF) is responsible for management of the Northern Ireland 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 (TME), which is split into:

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

HM 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. In the event that no Executive is in place, then the Secretary of State for Northern Ireland may act to set the budget for the Northern Ireland departments.

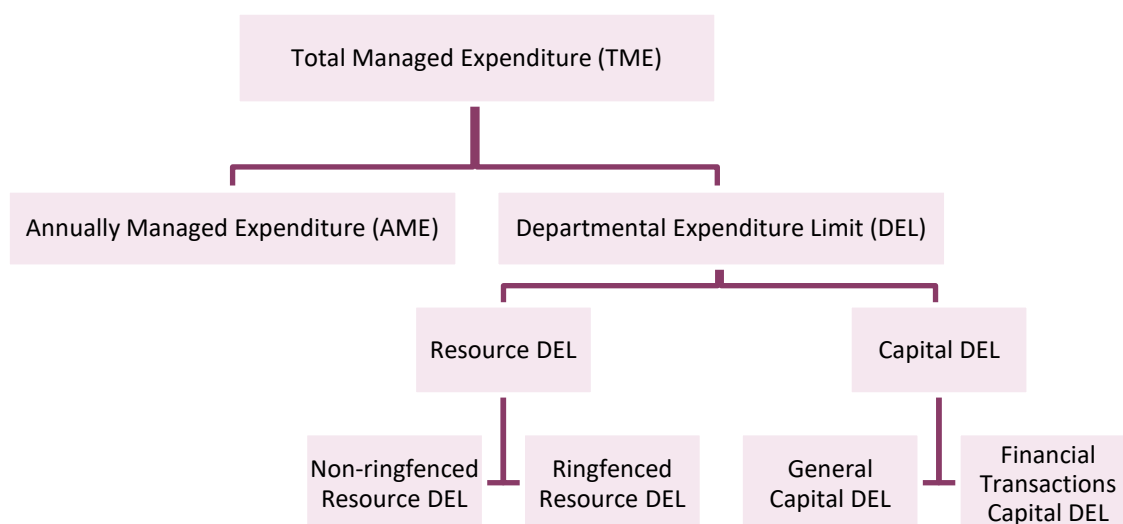
DEL budgets are classified into resource and capital:

- 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 HM Treasury: [Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/103112/consolidated-budgeting-guidance-2022-to-2023.pdf).

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive’s Review of Financial Process (RoFP), which was implemented in 2022-23, has helped to address these differences and improve transparency. 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**

A summary of the Department's performance against Budgetary Control totals is set out in the table below along with the main reasons for the variances. Full details and analysis is contained in the section for Statement of Outturn against Assembly Supply within the Accountability Report.

	2022-23		
	Outturn	Final Plan	Underspend/ (Overspend)
	£000	£000	£000
<b>Resource DEL</b>			
<i>Non-ringfenced (cash)</i>	1,178,240	1,184,722	6,482
<i>Ringfenced (non-cash)</i>	85,995	83,772	(2,223)
	1,264,235	1,268,494	4,259
<b>Capital DEL</b>			
<i>General Capital</i>	76,223	77,959	1,736
<b>Total DEL</b>	<b>1,340,458</b>	<b>1,346,453</b>	<b>5,995</b>
Resource AME	300,464	515,142	214,678
Capital AME	686	758	72
<b>Total AME</b>	<b>301,150</b>	<b>515,900</b>	<b>214,750</b>
<b>Total Managed Expenditure</b>	<b>1,641,608</b>	<b>1,862,353</b>	<b>220,745</b>

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

The non-ringfenced resource DEL underspend of £6.5m (0.5% of total budget) was mainly due to:

- Core Department - underspends in staff costs as a result of vacancies, underspends in relation to non-pay costs as a result of the budget being finalised late in the financial year, lower litigation costs than anticipated and increased income from Access NI;
- Youth Justice Agency - underspends in staff costs due to delays in filling vacancies and untaken annual leave accruals being lower than expected, along with lower utility costs than originally forecast;
- NI Courts and Tribunals Service - underspends in staff costs due to slippage in filling vacancies and lower than expected spend on non-staff costs;
- PSNI - an underspend in cash payment of provisions due to the timing;
- Office of Police Ombudsman NI - underspends in staff costs due to not being able to fill vacant posts when expected, and leavers posts not backfilled due to failed recruitment competitions;
- Legal Services Agency NI - a managed overspend in relation to Legal Aid payments partly offsets the above underspends; and
- Compensation Services - a managed overspend in relation to high value cases settled partly offsets the above underspends.



**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 overspend of £2.2m (2.7% of total budget) was mainly due to an overspend in PSNI as a result of a fixed asset valuation exercise.

**Capital Departmental Expenditure Limit (Capital DEL)***General Capital DEL*

The Capital underspend of £1.7m (2.2% of total budget) was mainly due to:

- Core Department - underspends in the Castle Buildings project, along with slippage in Causeway change controls;
- Probation Board NI - delays in Causeway onboarding and delays in the estates maintenance heating refit and upgrade; and
- PSNI - due to manufacturing and delivery delays.

**Annually Managed Expenditure (AME)**

The AME underspend of £214.8m (41.6% of total budget) comprises the following main components:

- Core Department £14.3m - underspend mainly relates to the unpredictable nature of demand led potential compensation cases resulting in the full budget not being required, along with litigation provisions being less than forecast;
- NI Prison Service £73.3m - underspend relates mainly to headroom for potential legal cases 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;
- Legal Services Agency NI £25.1m - underspend is due to the difficulty in predicting the movement in provisions due to a number of variables including average costs, volumes and complexity of cases; and
- PSNI £99.0m - underspend mainly relates to Police Pensions due to a reduction in the overall pension scheme cost estimates as advised by the Government Actuary's Department and reduced other AME provisions due to timing of new cases and any expected liabilities from these.

**FINANCIAL REVIEW (CONTINUED)****Summary of expenditure 2018-19 to 2022-23**

The table below provides details of outturn for resource and capital expenditure in each DoJ organisation during the five most recent financial years.

	2022-23	2021-22 (Restated)	2020-21 (Restated)	2019-20 (Restated)	2018-19 (Restated)
	Outturn	Outturn	Outturn	Outturn	Outturn
	£000	£000	£000	£000	£000
<b>Non-ringfenced Resource DEL</b>					
Core Department	56,659	53,351	44,724	44,628	49,064
Forensic Science NI	12,607	12,880	12,267	11,071	10,994
NI Courts and Tribunals Service	56,087	54,931	52,765	45,537	41,270
Legal Services Agency NI	109,536	103,858	81,759	88,734	88,517
NI Prison Service	112,844	107,713	111,968	102,035	96,213
Youth Justice Agency	14,218	14,593	14,607	14,877	15,301
Agencies total	305,292	293,975	273,366	262,254	252,295
PSNI (Main and Pensions)	711,333	788,782	765,873	735,320	686,315
NI Policing Board	6,004	6,151	5,464	5,833	5,451
Police Ombudsman	10,301	10,049	9,471	9,763	9,061
NI Police Fund	1,195	1,363	1,371	1,407	1,457
RUC George Cross Foundation	166	183	129	(66)	91
Police Rehabilitation and Retraining Trust	1,770	1,671	1,733	1,709	1,619
Probation Board NI	24,461	23,370	23,320	21,341	19,856
Criminal Justice Inspection NI	1,059	1,125	1,127	1,081	1,049
Executive NDPBs total	816,289	832,694	808,488	776,388	724,899
<b>Total Non-ringfenced Resource DEL</b>	<b>1,178,240</b>	<b>1,180,020</b>	<b>1,126,578</b>	<b>1,083,270</b>	<b>1,026,258</b>
<b>Total Ringfenced Resource DEL</b>	<b>85,995</b>	<b>80,321</b>	<b>77,675</b>	<b>66,980</b>	<b>62,759</b>
<b>Total Resource DEL</b>	<b>1,264,235</b>	<b>1,260,341</b>	<b>1,204,253</b>	<b>1,150,250</b>	<b>1,089,017</b>
<b>Capital DEL</b>					
PSNI	47,352	56,097	52,471	49,150	43,954
NI Prison Service	15,635	9,248	11,151	18,501	35,910
Other	13,236	7,109	8,048	8,916	7,950
<b>Total Capital DEL</b>	<b>76,223</b>	<b>72,454</b>	<b>71,670</b>	<b>76,567</b>	<b>87,814</b>
<b>Total Resource AME</b>	<b>300,464</b>	<b>305,542</b>	<b>336,239</b>	<b>437,927</b>	<b>590,867</b>
<b>Total Capital AME</b>	<b>686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Resource and Capital - DEL and AME</b>	<b>1,641,608</b>	<b>1,638,337</b>	<b>1,612,162</b>	<b>1,664,744</b>	<b>1,767,698</b>

Long term expenditure information have been restated to show the position had Review of Financial Process been in place at that time by eliminating intra-Departmental income and expenditure transactions in excess of £1 million.

**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 or Parliament gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly or Parliament at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year.

**Estimates performance**

The Estimates for the year to 31 March 2023 are contained in the the *Budget Act (Northern Ireland) 2023*. The related Acts, Bills and DoF publications containing detailed supporting information are available from The Stationery Office Limited - [www.tso.co.uk](http://www.tso.co.uk). The Accounts for the year ending 31 March 2023 report against the Main Estimates and will be laid in both the Assembly and Parliament.

The table below summarises the Outturn and Estimate position:

Category of expenditure	2022-23		
	Outturn	Estimate	Outturn vs Estimate saving/ (excess)
	£000	£000	£000
<b>Resource</b>			
Voted DEL	1,255,181	1,261,805	6,624
Non-Voted DEL	9,054	6,689	(2,365)
<b>Resource DEL</b>	<b>1,264,235</b>	<b>1,268,494</b>	<b>4,259</b>
Voted AME	300,708	515,328	214,620
Non-Voted AME	(244)	(186)	58
<b>Resource AME</b>	<b>300,464</b>	<b>515,142</b>	<b>214,678</b>
<b>Total Resource</b>	<b>1,564,699</b>	<b>1,783,636</b>	<b>218,937</b>
<b>Capital</b>			
Voted DEL	76,223	77,959	1,736
Voted AME	686	758	72
<b>Total Capital</b>	<b>76,909</b>	<b>78,717</b>	<b>1,808</b>
<b>Total Budget and Non-Budget</b>	<b>1,641,608</b>	<b>1,862,353</b>	<b>220,745</b>

The main reasons for the variances were:

**Resource - Departmental Expenditure Limit (DEL)** - savings relate mainly to the Asset Recovery Incentive Scheme, staff costs and non-staff costs; partly offset by a managed overspend in Legal Aid payments and overspends in depreciation; and

**Resource - Annually Managed Expenditure (AME)** - the most significant savings relate to the NI Prison Service who had a £73.3m saving due to lower than anticipated provisions required for potential legal cases, and savings of £99.0m in PSNI relating mainly to a reduction in the Police Pensions overall pension scheme cost estimates as advised by the Government Actuary's Department.

In addition, reasons for the variances are also outlined above in the Budgetary Performance section.

**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 the Northern Ireland Audit Office 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:

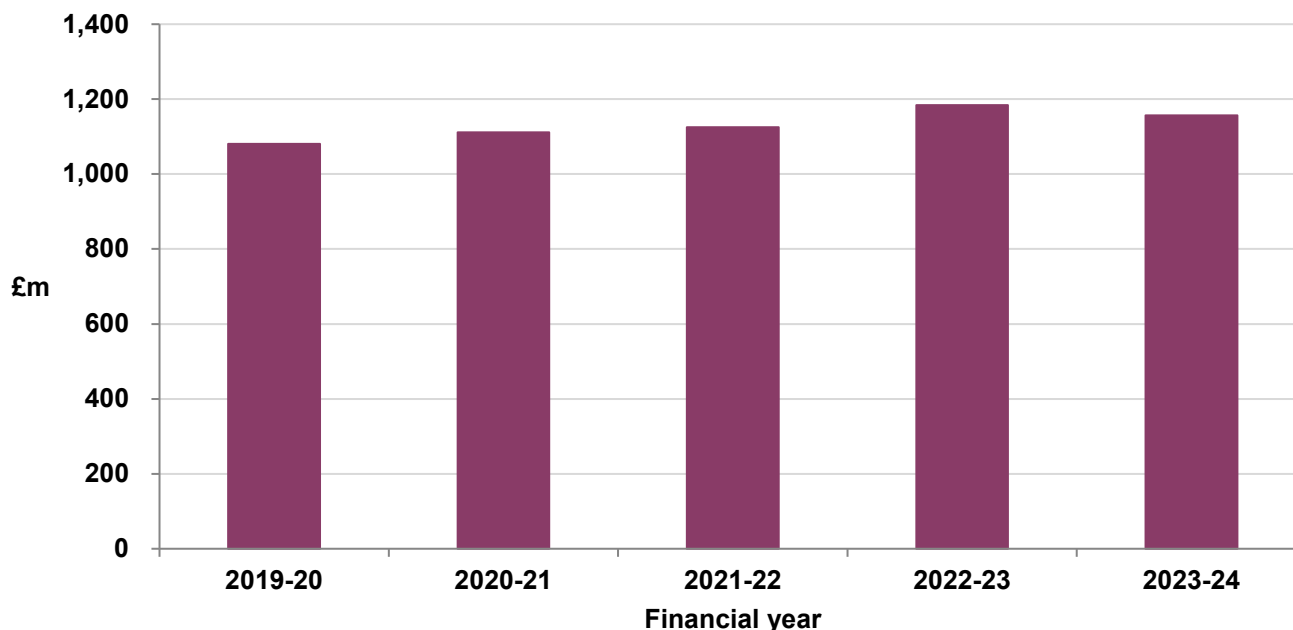
Departmental Group	2022-23	2021-22	2020-21
	£000	(Restated) £000	(Restated) £000
<b>Total operating income</b>	<b>(121,038)</b>	<b>(105,086)</b>	<b>(90,387)</b>
Staff costs	962,454	996,425	934,238
Purchase of goods and services	286,364	290,444	257,067
Depreciation and impairment charges	85,234	81,997	79,249
Provision expense	138,047	137,644	146,043
Grants	13,259	13,737	13,819
<b>Total operating expenditure</b>	<b>1,485,358</b>	<b>1,520,247</b>	<b>1,430,416</b>
<b>Net operating expenditure</b>	<b>1,364,320</b>	<b>1,415,161</b>	<b>1,340,029</b>
Finance income	(17)	(3)	(3)
Finance expense	201,646	152,330	202,269
<b>Net expenditure before taxation and notionals</b>	<b>1,565,949</b>	<b>1,567,488</b>	<b>1,542,295</b>
Corporation tax	16	74	71
<b>Net expenditure</b>	<b>1,565,965</b>	<b>1,567,562</b>	<b>1,542,366</b>
Audit notional costs	418	385	373
Other notional costs	8,213	9,012	8,334
<b>Total notional costs</b>	<b>8,631</b>	<b>9,397</b>	<b>8,707</b>
<b>Net expenditure including notionals</b>	<b>1,574,596</b>	<b>1,576,959</b>	<b>1,551,073</b>

Further details of Income and Expenditure are contained in Notes 4, 5 and 6 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 2019-20 to 2023-24.

**Chart 1: DoJ Non-Ringfenced Resource DEL opening baselines**

**2022-23 financial year**

In the absence of an Executive the Northern Ireland Office agreed the individual departmental allocations and an overall Budget for 2022-23. The Secretary of State announced the NI Budget in a Written Ministerial Statement on 24 November 2022 providing the Department with a budget of £1,184.2m\*.

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

- a flat cash allocation (2021-22 opening baseline) of £1,086.4m;
- additional allocation of £58.1m;
- additional security funding for the PSNI of £31.2m;
- NI Protocol funding of £2.3m;
- funding for the Tackling Paramilitarism Programme of £8.9m;
- funding from the NI Consolidated Fund of £1.5m; and
- reduced allocation of £4.4m relating to IFRS 16 and other technical adjustments.

*\*Totals may not add due to roundings*

**FINANCIAL REVIEW (CONTINUED)****Long term expenditure trends (continued)****2023-24 financial year**

On 27 April 2023, in a Written Ministerial Statement, the Secretary of State for Northern Ireland set out a final budget for 2023-24. The Written Ministerial Statement provided a non ring-fenced resource budget for the Department of £1,156.7m\*.

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

- an adjusted opening baseline budget of £1,140.1m;
- funding from the NI Consolidated Fund of £1.5m (from 2022-23);
- budget cut for 2023-24 of £19.4m (c. 1.7%);
- additional security funding for the PSNI of £31.2m; and
- NI Protocol funding of £3.2m.

*\*Totals may not add due to roundings*

**Capital investment priorities**

In the absence of an Executive, the Written Ministerial Statement also set out a Capital DEL budget of £128.8m for 2023-24. This includes an additional allocation from HM Treasury for NI Protocol of £0.65m. This will allow the Department to fund statutory, inescapable and high priority capital projects.

**Looking ahead - budgets beyond 2023-24**

Preparatory work for 2024-25 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.

**Future plans - machinery of government transfer to DoJ**

On 1 April 2022 current members of the Northern Ireland Judicial Pension Scheme (NIJPS) moved to the new UK wide 2022 judicial pension scheme managed by the Ministry of Justice (MoJ). All pension accruals in respect of service from 1 April 2022 are in accordance with the terms of the new MoJ scheme. NIJPS closed for future pension accrual from 1 April 2022 and active members became deferred members of the Scheme.

Given these changes, DoJ has determined that NIJPS expenditure details will now be included within the main DoJ Estimate for 2023-24 onwards. This means a separate Estimate is not required for NIJPS and consequently DoJ will not issue an Accounts Direction for NIJPS to prepare separate Accounts. Instead, the assets and liabilities of NIJPS will transfer to the main DoJ Accounts with effect from 1 April 2023. As a result the last standalone Annual Report and Accounts for NIJPS will be for the 2022-23 financial year.

**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.

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
Total number of invoices paid	35,387	90,361	34,827	96,920
% of invoices paid within 10 workings days	93.9%	95.5%	94.7%	94.1%
% of invoices paid within 30 calendar days	97.4%	98.8%	97.7%	98.7%

**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 her findings to the Assembly. The C&AG and her staff are wholly independent of the Department.

The total audit fee for the work performed by the staff of the C&AG during the reporting period was £641,409 (2021-22: £582,850) as detailed in the table below.

Departmental Group	Note	2022-23	2021-22
		£	(Restated) £
<b>Statutory audits:</b>			
Core Department and Departmental Group		103,500	92,000
Agencies		294,600	273,150
Northern Ireland Judicial Pension Scheme		19,900	19,600
Core Department and Agencies (notional charge)		418,000	384,750
NDPBs (hard charge)	5	215,495	198,100
<b>Total fee for statutory audits</b>		<b>633,495</b>	<b>582,850</b>
National Fraud Initiative audit (hard charge)	5	7,914	-
<b>Total audit fee</b>		<b>641,409</b>	<b>582,850</b>

Notional costs are charged for the statutory audit of the Core Department, its Agencies and the Northern Ireland Judicial Pension Scheme. NDPBs are hard charged for their statutory audit costs. Audit work related to the National Fraud Initiative is hard charged. Further details of the audit fees for agencies and NDPBs can be found in their individual accounts.

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. A VFM report on Reducing Adult Reoffending was published on 13 June 2023 and the Department will ensure that appropriate action is taken to implement the recommendations made.

**PERFORMANCE REPORT**


**Richard Pengelly CB**  
Accounting Officer

**3 July 2023**

## **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;
- Other 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**

The Minister of Justice, when in post, has overall political responsibility and accountability for all of the Department's activities. Naomi Long MLA was the Minister of Justice until 28 October 2022, but had to step down in line with the Northern Ireland (Ministers, Elections and Petitions of Concern) Act 2022 as the deadline for formation of an Executive had passed.

#### **The Permanent Secretary**

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

#### **Departmental Board**

The Board is chaired by the Permanent Secretary and exists to assist in the development of the Department's strategic plans and to assist the Permanent Secretary to meet his responsibilities. The Board is an important element of the Department's corporate governance arrangements, ensuring appropriate scrutiny and oversight mechanisms and through engagement with Non-Executive Board Members, independent perspectives are in place for all of the governance strands and for the Department's delivery of policies and plans. The Board meets approximately five times a year to consider progress on strategic and management issues. It also monitors performance against the draft Business Plan on a quarterly basis. The Board is supported by the Departmental Audit and Risk Committee.

Membership of the Board at 31 March 2023 was as shown below:

<b>Position</b>	<b>Member</b>
Permanent Secretary	Richard Pengelly CB - Chair
Director, Access to Justice	Sean Holland CBE
Director, Justice Delivery	Deborah Brown
Director, Reducing Offending	Ronnie Armour
Acting Director, Safer Communities	Mark Goodfellow
Acting Director, Northern Ireland Courts and Tribunals Service	Glyn Capper
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. Michael Moore, Board Apprentice, also attends Departmental Board meetings.

#### **Business appointment rules**

The [NICS Standards of Conduct Policy](#) (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service. This includes procedures to make staff aware of these rules and provides that the Permanent Secretary of the department is responsible for the effective operation of the Business Appointment Rules within their department. During 2022-23 there were no applications from Senior Civil Servants or the Department's Special Adviser within the Department of Justice.

## Register of interests

Declaring conflicts of interest is a standing agenda item at all meetings of the Departmental Board and the Departmental Audit and Risk Committee; no interests declared were deemed to conflict with Departmental business. In addition, an annual exercise is commissioned from all senior management, including Non-Executive Board Members, 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](http://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 are subject to investigation and response as appropriate 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 learned made by the Board are passed to the Complaints Officer to amend the Department's complaints procedure, and communicated to staff. There were 7 (2021-22: 14) complaints recorded for the Core Department during 2022-23, 3 of which were fully upheld, with another 1 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](mailto:Governance.Unit@justice-ni.gov.uk).

## Raising a Concern

The Department is committed to openness, probity and accountability and there are procedures in place to ensure that concerns about serious wrongdoing can be raised. 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. The policy is available on the Department's website at: [www.justice-ni.gov.uk/publications/doj-raising-concern-whistleblowing-policy](http://www.justice-ni.gov.uk/publications/doj-raising-concern-whistleblowing-policy).

A Register of Concerns is maintained at departmental level to ensure that individual cases are escalated as appropriate and to monitor the progression of enquiries. Summary details of any concerns raised under the Raising a Concern policy are reported to the Board and the Departmental Audit and Risk Committee. There were 10 (2021-22: 10) concerns raised and investigated by the Department and its Agencies during 2022-23.

## 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 the Legal Services Agency, there were four instances of suspected fraud reported within the Department during 2022-23 (2021-22: two).

### Legal Services Agency Northern Ireland (LSANI)

The Agency 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 LSANI.

During the period 1 April 2022 to 31 March 2023, LSANI received 261 referrals (2021-22: 338) which were the subject of an initial fraud investigation. Of these referrals, 112 persons were not in receipt of Legal Aid at the time of the initial investigation and were closed. The remaining 149 cases were subject to a full fraud investigation (2021-22: 286) with 130 of these cases closed due to insufficient evidence to pursue a criminal investigation via the Police. The investigation into the remaining 19 cases is currently ongoing. 18 cases received prior to this reporting year remain under investigation which gives a current caseload of 37. The decrease of cases from 2021-22 reflects a decrease of referrals since the Covid pandemic despite the return of investigations by Benefit Security Division (Department for Communities) following 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. The total referrals were as follows:

<u>Number of cases received</u>	Earnings	Capital	Co-habiting	Property	False Statement	Supplier	Other	Total
<b>2022-23</b>	<b>114</b>	<b>55</b>	<b>35</b>	<b>4</b>	<b>10</b>	<b>28</b>	<b>15</b>	<b>261</b>
2021-22	175	53	28	12	18	33	19	<b>338</b>
2020-21	105	35	25	7	28	26	5	<b>231</b>
2019-20	223	48	23	4	35	27	4	<b>364</b>

Of the 37 cases outstanding at 31 March 2023, these are being investigated for evidence of criminality and are categorised as:

<u>Number of cases outstanding</u>	Earnings	Capital	Co-habiting	Property	False Statement	Supplier	Other	Total
<b>At 31 March 2023</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>-</b>	<b>37</b>
At 31 March 2022	28	10	1	1	5	11	9	<b>65</b>
At 31 March 2021	23	15	1	1	11	8	5	<b>64</b>
At 31 March 2020	3	15	-	1	4	2	1	<b>26</b>

## Corporate social responsibility

Corporate social responsibility (CSR) has been integrated as an important aspect of the Department's business. 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;
- seeking to make a positive impact on the wider community through promoting volunteering activities; and
- promoting sustainability and environmental issues.

The Department has continued to promote staff wellbeing, diversity and inclusion by signposting staff to a bank of online 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 the DoJ Intranet focussed on specific wellbeing topics including Menopause, Staff Welfare, Parenting and Fitness.

Corporate fundraising has continued albeit in a very different, largely virtual capacity. Some staff continue to arrange fundraising events locally. In December 2023, however, the Department arranged an appeal for Food Banks to which staff responded very positively. Consideration of initiatives to promote CSR across the Department is a focus of the Department's Staff Engagement Forum, which is made up of representatives of each business area from across the Department.

## Statutory equality and rural needs assessment obligations

The Department is committed to complying with its statutory obligations under Section 75 of the *Northern Ireland Act 1998* and the *Rural Needs (NI) Act 2016* in all that we do. The Department continues to implement its Equality Scheme to promote equality of opportunity and good relations. Details of any Rural Needs Impact Assessments are reported to DAERA for publication in a Rural Needs Annual Monitoring report.

## Sustainability reporting

The *Climate Change Act (Northern Ireland) 2022* sets a clear statutory target of net zero emissions by 2050 and places a number of duties on each NI department, with DAERA named as the lead department in the Act.

Within the DoJ, the Core Department leads on the strategic approach and is aiming to launch an Outline Sustainability Strategy and associated action plan in 2023-24. The aim is to set out our commitment to sustainable practices and support us in meeting our obligations under the *Climate Change Act (Northern Ireland) 2022* and in contributing to the first NI Climate Action Plan 2023-2027. Departmental officials also sit on a cross-departmental Strategic Oversight Group and Climate Action Plan Technical Advisory Group, both chaired by DAERA.

DoJ business areas are also progressing a number of relevant work streams as outlined below.

### ***Reducing Offending Directorate (ROD) - NI Prison Service (NIPS) and Youth Justice Agency (YJA)***

ROD has produced its own adaptation strategy to accompany its Sustainability Strategy. Prison Service has Building Energy Management Systems (BEMS) across all sites to improve the control of heating and reduce energy consumption and CO2 emissions. In 2022-23, ROD considered a number of sustainable proposals to help improve performance and reduce emissions - these included energy audits; a solar farm, upgrades for LED lighting, an improved water distribution network and BEMS networks. To date ROD has also purchased seven Ultra Low Emissions vehicles and three electric golf style buggies, with consideration for EV options for future replacements. ROD also works with the Woodlands Trust at HMP Magilligan, growing saplings and germinating seeds in polytunnels for future planting in the community.

### ***Northern Ireland Courts and Tribunals Service (NICTS)***

NICTS has established a carbon baseline for the year 2019-20 against which emission reduction targets can be measured and achieved significant carbon reductions in 2022 through a combination of demand shedding interventions and capital projects, against a background of increased energy costs of almost 60%. NICTS has incorporated sustainability into its Vision 2030 Modernisation Portfolio with a number of examples provided of recent energy reduction. All NICTS properties are connected to a BEMS allowing heating, ventilation and air conditioning systems to be monitored and adjusted. LED lighting schemes at Coleraine, Antrim and Laganside are expected to generate significant cost reduction, along with solar PV installation at Laganside.

### ***Forensic Science Northern Ireland (FSNI)***

FSNI is currently working out of temporary accommodation and planning a new build. The Agency has and will continue to review heating programming and efficiencies in lowering boiler temperatures and maintaining a summer and winter heating plan and thus reducing carbon emissions. Use of live court links are encouraged to limit travel time and carbon emissions for staff giving evidence at court. The Agency is also currently considering reduction in the use of plastic casefile sleeves which could result in significant cost and plastic reductions. There is no catering on FSNI estate and staff are encouraged to use their own crockery, along with compost caddies provided in kitchen areas

### ***Probation Board for Northern Ireland (PBNI)***

PBNI are working to develop a clear commitment to reducing carbon emissions, have a carbon policy, a strategy and clear targets that are tracked across the organisation. They are working to measure the carbon footprint of the whole organisation by collating information on current EPCs and recommission out of date certificates, assessing current Estate EPC rating including average rating and setting a target for minimum EPC rating. Premises work has included roll out replacement of old oil-fired heating systems with gas appliances initially to freehold properties; developing projects for thermal upgrades to the building fabric freehold properties and adopting Better Business Case Guidance incorporating environmental and climate considerations. Business improvement and carbon awareness programmes are also being developed to progress ideas for reducing carbon emissions and help raise awareness.

## Sustainability reporting (continued)

### **Police Service of Northern Ireland (PSNI)**

PSNI published their updated Sustainability Strategy online during the year and held a Bitesize Briefing engagement event with 350 senior managers to explain how they will develop sustainability action plans for every area of the organisation and consider sustainability as part of everything they do. The organisation is working with a partner to develop software which will support the development and monitoring of sustainability action plans across all areas of the service. The organisation contributed to a national framework for development of sustainability within police and emergency services across the UK.

The two most significant carbon generators in relation to the activities of PSNI relate to the built estate (70 operational sites) and the operation of the fleet (2,700 vehicles, 27 million miles driven to police 5,640 square miles), both of which are essential to the delivery of the policing service. PSNI calculated and published the carbon generated by the police estate and fleet in 2021-22 to create a baseline for carbon reduction.

In order to begin to reduce estate related emissions the police Estate Services Branch developed and adopted a Carbon Reduction Plan (CRP) in 2022. The CRP sets a target of reducing scope 1 and 2 carbon emissions from the estate by 5.3% annually, equating to a reduction of 90% by 2050 compared to the baseline year (2002). The CRP has three guiding principles: (1) reduce energy consumption, (2) transition to low carbon heating, (3) deploy onsite renewable power generation. PSNI Estate Services will deliver on the ambition of the CRP through Asset Management Plans.

The police service budget is severely constrained however PSNI received funding from the Department for the Economy for:

- Electric Vehicle (EV) charge points - 42 EV new charge points sockets are being developed at nine sites to facilitate use of EV within the fleet;
- lower carbon LED Lighting across the estate - LED lights will be retrofitted at four sites; and
- solar photovoltaics (PV) energy production - solar PV system to be installed at two sites.

Under the new PSNI Fleet Strategy the service will purchase 689 new electric vehicles over the next five years. The service has invested in a more sustainable fleet over the last twelve months, the overall number of EV and HEV vehicles has increased to 160 vehicles. This will see circa 10% of the overall non-armoured fleet being BEV, PHEV or SCEV, MHEV (Battery, Plug in, Self charging or mild hybrid electric vehicle). Infrastructure work to permit use of EV is being taken forward and an additional 42 electric charging points are under construction. Of note during the recent Good Friday Agreement events some 80 hybrid electric vehicles were deployed.

All PSNI mechanics are trained to IMI Level 3 technician standard. This training, completed in January to March 2023, will allow staff to work safely on electric vehicles. It will allow for commissioning with police equipment and ongoing maintenance of these vehicles. New safety equipment for working on electric vehicles has also been sourced. The Service continues to invest in eBikes with more than 30 now in service. These will be bolstered by the recent acquisition of three fully electric mopeds to be used within Greater Belfast.

The police service began to implement their new Environmental Management System (EMS) which reports to the PSNI Sustainability Delivery Group twice a year. The EMS dashboard was created to monitor and report on environmental performance. The police service published base line environmental performance data in their 2021-22 Annual Report and will continue to do so annually, with this year's publication demonstrating performance against the previous baseline.

### **Legal Services Agency Northern Ireland (LSANI)**

LSANI has recently moved to new leased accommodation. The Agency promotes the use of electronic correspondence where practicable and the implementation of an digital Legal Aid case management system (LAMS) has resulted in considerable cost and carbon reductions through paper free Legal Aid applications. LSA has separate recycling containers in the building with the recent move facilitating a shared approach through the collection of office waste including glass; paper; cardboard; plastic and metals. Compostable items such as napkins, cups and cutlery are also used and new modular boilers installed which will lower gas usage. The premises also have motion sensor lighting, sensor taps, urinal flushing linked to sensor lighting in washrooms and a new state of the art air conditioning unit, which should reduce energy cost.

## 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. 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.

Following the relaxation of the Executive messaging on working from home the DoJ, along with other NICS Departments, developed a three-month implementation plan to facilitate the return to the workplace for staff in accordance with the NICS Hybrid Working Policy. Health and safety for home working stations is governed by the NICS Hybrid Working Policy, which requires employees to ensure that their home insurance policy covers home working arrangements. Employees are also required to complete two checklists: Display Screen Equipment and General Risk Assessment.

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. 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

## 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 94% for Freedom of Information requests and 100% for 'subject access requests' under the Data Protection Act.

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 eight complaints during the period from members of the public in relation to how their personal data has been processed by the Department. In addition, the DPO approved 19 Data Protection Impact Assessments and provided advice in relation to two Information Sharing Agreements.

DoJ records management provided advice to a number of business areas including the 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 the 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.

## 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 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.



## NON-EXECUTIVE BOARD MEMBERS' REPORT

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

### Board effectiveness

The Departmental Board met five 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 2022-23 Departmental Business Plan as well as reviewing the Corporate Risk Register. The Board further ensured that appropriate governance arrangements are in place across the Department including those for Health and Safety, Procurement and Major Programme and Project Management.

I am the Chair of the Departmental Audit and Risk Committee (DARC) supported by Dr Joanne Mc Dowell as Deputy Chair and Brigitte Worth and Graeme Wilkinson, two Independent Members. Graeme resigned from his DARC role in February 2023.

The DARC met four times over the course of this financial year. The DARC welcomed the unqualified audit opinion in July 2022 for the Department's Accounts for 2021-22, and continued to be diligent in reviewing the Department's approach to risk management and financial controls.

### Risk Management

A Risk Management workshop was held in October 2022. This was led by the Director of Justice Delivery and was attended by senior representatives from across the Department, Agencies and Internal Audit. As a result of this workshop the Risk Register was revised and updated and a new Risk Appetite proposed. This was subsequently approved by the Departmental Board. The issues log continues to be updated quarterly and provides assurance on the management of live issues.

The Departmental Board also approved a revised DoJ Risk Management Framework which supports the consistent and robust identification and management of opportunities and risks within desired levels across the Department supporting openness, challenge, innovation and excellence in the achievement of priorities. As part of this, the Department's Risk Appetite Statement was revised to reflect that the Department strives to adopt an 'eager' risk appetite.

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: Budget; Capability and Capacity; Collaboration; Community Expectations; Cost of Living Crisis; Business Continuity; Absence of an Executive and Climate Change Actions.

Of particular concern has been three 'red' risks that have been reflected on the register over the course of the year, namely Budget; Capability and Capacity; and Climate Change Actions. The Capability and Capacity as well as the Climate Change actions risks are also impacted as a result of the concerns around the Budget. It is perhaps not surprising that a significant portion of the risks are now 'red' given that there has been no Executive or Minister in place together with the implications of the cuts and pressures in the Budget 2023-24.

I am pleased to be able to provide assurance to the Departmental Management Board as a result of my role as Chair of the DARC.

**Colin Kennedy**  
**Chair, Departmental Audit and Risk Committee**

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the *Government Resources and Accounts (Northern Ireland) Act 2001* (GRANNI), 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, and the use of resources, during the year by the Department (inclusive of its Executive Agencies) and its sponsored Non-Departmental Public Bodies designated by order made under the GRAANI *by Statutory Instrument 2022 no 256* (together known as the 'Departmental Group', consisting of the Department and sponsored bodies listed at Note 23 to the Accounts).

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 the Departmental Group and of the income and expenditure, Statement of Financial Position and cash flows of the Departmental Group for the financial year.

In preparing the Accounts, the Accounting Officer of the Department 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 Non-Departmental Public Bodies;
- 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 Accounting Officer of the Department has also appointed the Chief Executives [or equivalents] of its sponsored Non-Departmental Public Bodies as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the Resource Accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or Non-Departmental Public Body, for which the Accounting Officer is responsible, are set out in *Managing Public Money Northern Ireland* published by the Department of Finance.

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 audit 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 2022-23, 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;
- Senior Management Team Meetings;
- Procurement Governance Board;
- Portfolio, Programme and Project Office (P3O);
- Internal Audit; and
- Information Risk Owners Council.

### Departmental Board

The role of the Departmental Management 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;
- monitoring and mitigating against Departmental risks;
- overseeing the management of the Department's resources including staff, information, physical and financial resources;
- programme and projects updates;
- update from the Procurement Board; and
- presentations from LSANI, FSNI and NICTS to provide an overview of services and specific challenges.

Attendance by members is shown below for the five meetings of the Board during 2022-23:

Position	Member	Attendance
Permanent Secretary	Richard Pengelly CB - Chair (from 4 April 2022)	5/5
Director, Access to Justice	Glyn Capper (until 3 July 2022)	1/1
	Maura Campbell (from 4 July 2022 until 31 October 2022)	0/1
	Sean Holland CBE (from 1 November 2022)	3/3
Director, Justice Delivery	Deborah Brown	5/5
Director, Reducing Offending	Ronnie Armour	5/5
Acting Director, Safer Communities	Mark Goodfellow (from 4 April 2022)	4/5
Acting Director, Northern Ireland Courts and Tribunals Service	Glyn Capper (from 4 July 2022)	3/4
Non-Executive Board Member	Colin Kennedy	5/5
Non-Executive Board Member	Dr Joanne McDowell	5/5

During the course of this year a new Director role was created specifically for the Head of the Northern Ireland Courts and Tribunals Service. Glyn Capper took on this role that had previously formed part of the Director of Access to Justice role.

### Conflicts of Interest

During 2022-23, 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 advice to the Departmental Management Board and Accounting Officer on the systems that 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 during 2022-23 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;
- draft Departmental Annual Report and Accounts;
- audit qualification issues and recommendations from Public Accounts Committees and Value for Money reports; and
- information assurance risk management update.

Attendance by members is shown below for the four meetings of the Committee during 2022-23:

Position	Member	Attendance
Non-Executive Board Member	Colin Kennedy - Chair	4/4
Non-Executive Board Member	Dr Joanne McDowell - Deputy Chair	3/4
Independent Member	Brigitte Worth - Senior Civil Servant (Department of Health)	4/4
Independent Member	Graeme Wilkinson - Senior Civil Servant (Department for the Economy) (until February 2023)	2/3

### **Senior Management Team Meetings**

The Senior Management Team meetings provide a forum for discussion and decision on strategic issues (and operational issues when necessary) impacting on delivery of the Department's objectives. Meetings occur regularly with membership consisting of the Permanent Secretary and each of the five Departmental Directors. The Deputy Director, Corporate Engagement and Communications Division (CECD) and the Principle Information Officer (PIO) also normally attend meetings. Other officials will attend as required and in line with business being discussed. In particular, the Finance Director will attend for discussions relating to finance.

The main functions include:

- discussing business that affects directly operations of the Department;
- providing a forum for discussion on proposed policies and strategies;
- analysing, discussing and reaching agreement on strategic resourcing issues which face the Department;
- assisting the Accounting Officer in judging strategic resourcing priorities;
- ensuring a consistent approach to financial management across the Department;
- ensuring there is a co-ordinated approach to HR management across the Department;
- providing a forum for senior management to discuss resourcing matters;
- considering and agreeing a strategic approach to learning and development opportunities and external opportunities in particular; and
- monitoring performance against targets at a strategic level.

Any issues that require consideration by the Departmental Management Board will be escalated as necessary.

### **Portfolio, Programme and Project Office (P3O)**

The Portfolio, Programme and Project Office (P3O) monitors the DoJ's Portfolio of Programmes and Projects across the Department to support strategic decision making and risk identification processes. The P3O reports biannually to the Accounting Officer and Departmental Board, highlighting any areas of concern and summarising the delivery confidence ratings and levels of engagement with the Independent Assurance Process (NI) processes across the DoJ's portfolio of Programmes and Projects.

The P3O's responsibilities are aligned with DoF's revised policy on Project delivery as outlined in Dear Accounting Officer letters DAO 02/20 and as revised in DAO 06/21.

The primary role of P3O is to:

- ensure visibility of and provide support to Senior Responsible Owners (SROs) in regard to their responsibilities for governance and assurance of Programme and Project Delivery;
- ensure that the Integrated Assurance Process NI is applied and managed throughout the lifecycle of ongoing Programmes and Projects within the Department's Portfolio;
- engage with SROs on a cyclical basis to monitor and report on Programme/Project activity and provide a twice yearly report of outcomes to the Departmental Board;
- provide support to the development of Project Delivery Professionals in the Department in line with the strategic direction of NICS Programme and Project delivery, such as through application of the Project Delivery Profession (PDP) and other training events; and
- consolidate and communicate best practice in line with NICS policies and standards and provide direction and support to Programme and Project managers to better manage Projects.

### *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.

133 incidents were recorded during the financial year 2022-23, none of which met the threshold for reporting to the ICO (2021-22: 104).

No new incidents were reported to the ICO during 2022. One incident, which was reported in 2021 and two incidents reported during 2020, 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 Management 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:

- Budget;
- Capability and Capacity;
- Collaboration;
- Community Expectations;
- Cost of Living Crisis;
- Business Continuity;
- Absence of an Executive; and
- Climate Change Actions.

The Corporate Risk Register continues to be reviewed regularly by the Departmental Board, with an update also routinely provided at Departmental Audit and Risk Committee meetings. In addition to the Risk Register, an Issues log was also maintained during the course of this year to capture live issues the Department is currently managing. The Department has continued to manage and respond to a number of live issues throughout the year, including EU Exit and International Criminality Arrangements and the impact of UK government Legacy legislation. There have also been ongoing structural issues with the Forensic Science's main building, which led to the implementation of a number of contingency arrangements. The Department has also been preparing to mitigate against the impact of the upgrade required to the Account NI system, due to take place during 2023-24.

## 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 (and Agencies) that includes:

- Management boards;
- Audit committees with independent membership;
- Management statement/financial memoranda/Partnership Agreements with sponsored bodies;
- 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 and authority

The *Northern Ireland Budget Act 2023* was passed by Parliament and received Royal Assent on 8 February 2023, which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

### *Ministerial Direction*

Engagement during the year between the Department and Legal Services Agency Northern Ireland (LSANI) highlighted the potential impact of an inadequate 2022-23 budget for Legal Aid and the associated risks for the legal profession, Agency, Department and Minister. This resulted in a Ministerial direction to the Agency on 26 October 2022 to continue to pay the legal profession within the current 12 week payment target. This would have resulted in LSA spending £95m, £20m over the baseline budget in 2022-23. However, this Direction was superseded by the Secretary of State's 2022-23 Budget on 24 November 2022 providing £96.6m for Legal Aid and therefore no expenditure was incurred under the Ministerial Direction.

## 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)

Significant progress has been made by LSANI to improve the techniques and methodology used when estimating its provisions for legal aid liabilities. As a result, the C&AG has now removed the qualification in respect of provisions that applied in previous years.

The C&AG qualified the 2022-23 financial statements of LSANI in respect of:

- statistics produced by LSANI estimating that £1.3 million of overpayments and £1.2 million of underpayments of legal aid costs were made during the year due to official error; and
- limitations in the scope on the regularity of legal aid payments in the period as a result of the Agency being unable to provide sufficient evidence to satisfy NIAO that material fraud and error by legal aid applicants and legal practitioners did not exist within legal aid expenditure.

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

LSANI has continued a significant work programme to address the qualification and has been taking this forward in conjunction with both DoJ and Department for Communities (DfC). Details of the work to address the qualification are outlined below.

### Regularity of expenditure

#### **Official error**

A Memorandum of Understanding was established, from April 2017 with 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 from 2020 to 2022 calendar years are set out below.

<u>2022</u>	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
<b>Total error</b>	£2,516,537	£1,422,348	£3,610,727
<b>Overpayments</b>	£1,297,570	£738,118	£1,857,023
<b>Underpayments</b>	£1,218,967	£252,121	£2,185,813
<b>Total excluding deemed errors</b>	£1,982,650	£964,519	£3,000,782

<u>2021</u>	Estimated Monetary Value of Error (MVE)	Lower Confidence Interval (LCI)	Upper Confidence Interval (UCI)
<b>Total error</b>	£1,924,466	£1,362,282	£2,486,649
<b>Overpayments</b>	£1,009,285	£502,270	£1,516,299
<b>Underpayments</b>	£915,181	£645,234	£1,185,128
<b>Total excluding deemed errors</b>	£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)
<b>Total error</b>	£5,573,318	£2,067,580	£9,079,055
<b>Overpayments</b>	£4,356,128	£917,643	£7,794,614
<b>Underpayments</b>	£1,217,189	£459,342	£1,975,037
<b>Total excluding deemed errors</b>	£3,999,730	£2,458,145	£5,541,316

For 2022, a sample of 756 cases (2021: 911; 2020: 695) was independently assessed by the SAU and the amount of legal aid estimated to have been paid incorrectly due to official error was projected at £2,516,537 (4.8%) over the review period (2021: £1,924,466 (4.3%); 2020: £5,573,318 (14.9%)). Looking at the confidence intervals, the true amount paid incorrectly is likely to lie within the range £1,422,348 to £3,610,727 (2.7% to 6.9%) (2021: £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%)).

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

### **Official error (continued)**

The overall amount estimated to have been paid incorrectly due to official error in 2022 is the combination of the estimated value of overpayments, £1,297,570 (2.5%) (2021: £1,009,285 (2.2%); 2020: £4,356,128 (11.7%)) and that of underpayments, £1,218,967 (2.3%) (2021: £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 £78,603 (2021: £94,104; 2020: £3,138,939).

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 £1,982,650 (£964,519 to £3,000,782; 3.8%) over the review period (2021: £1,692,157 (£1,144,102 to £2,240,212, 3.7%); od 2020: £3,999,730 (£2,458,145 to £5,541,316; 10.7%)).

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

LSANI 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**

Following an initial delay caused by Covid-19 restrictions, a methodology for addressing applicant fraud and error, commenced for its first full year of testing in January 2021. The major difference to official error testing, is contained within the cases that are eligible for sampling. 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 or 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 figures quoted below.

In 2021, a sample of 500 cases was independently assessed by the SAU 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 SAU. 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)*

<u>2021</u>	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 provides 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, applicant fraud and error testing in this guise was suspended in 2022 and replaced with a review of live cases under the heading of Future Overpayment Prevention (see below). The 2021 figures outlined above, remain the official baseline for applicant fraud and error within legal aid expenditure.

### *Future Overpayment Prevention*

In May 2022, SAU commenced testing of live cases to review ongoing financial eligibility of individuals who remain in receipt of civil legal aid under the Future Overpayment Prevention (FOP) work-stream, mitigating against the non-compliance issues encountered previously (in formal Applicant Fraud and Error testing), with the potential to revoke certificates and realise future savings. This approach not only allows incidents of fraud and error to be identified and monitored but also allows actions to be put in place to address and reduce future errors.

While it was envisaged that testing would focus solely on future savings, it became apparent that applicant error was being discovered alongside a FOP saving (in the period between when an applicant became no longer eligible for legal aid and cessation of their certificate). As these applicant error estimates are essentially a by-product of FOP sampling, they are not a representative or comprehensive estimate of total applicant error in legal aid expenditure, nor do they replace the applicant fraud and error baseline established in 2021.

A total of 196 cases were tested for potential FOP savings in 2022. From the results, it is estimated that £76,577 was saved in future expenditure due to LSANI taking action to revoke certificates where the applicant was found to be no longer financially eligible for legal aid. In addition, the estimated amount of applicant error found in these cases was £102,893.

### *Practitioner fraud and error*

In January 2023, the Agency launched formal measurement of Practitioner Error and Fraud under a common sample approach with Official Error testing. Testing is carried out by SAU, reviewing both Agency and Practitioner files on sampled cases. The first baseline of practitioner fraud and error will be established in 2023.

## 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:

- Reducing Adult Reoffending - June 2023;
- Continuous improvement arrangements in Policing 2021 - July 2022;
- Speeding Up Justice: Avoidable Delay in the Criminal Justice System - 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;
- 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.

## 7.3 Priority 1 recommendations from Internal Audit

In 2022-23, there were twenty-nine satisfactory reports issued by Internal Audit 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 2022-23 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 Civil Service, including Senior Civil Servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 24 November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on 6 December 2022, the NI public sector pay policy guidance was published on 8 December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022-23 has been finalised and was paid in June 2023. The pay award for NICS industrial staff for 2022-23 has been finalised and is due to be paid in July 2023.

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](http://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	2022-23				2021-22			
	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	22,000	-	8,000	30,000	38,000	-	12,000	50,000

## Remuneration and pension entitlements - Officials

[Audited information]

## Single total figure of remuneration

Officials and Non-Executive Members	2022-23			
	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
<b>Richard Pengelly CB</b> Permanent Secretary (from 4 April 2022)	135-140	-	(51)	85-90
<b>Sean Holland CBE</b> Director, Access to Justice (from 1 November 2022)	40-45 (full year equivalent 105-110)	-	(7)	35-40
<b>Maura Campbell</b> Acting Director, Access to Justice (from 4 July 2022 until 31 October 2022)	30-35 (full year equivalent 95-100)	-	36	65-70
<b>Deborah Brown</b> Director, Justice Delivery	95-100	-	3	95-100
<b>Ronnie Armour</b> Director, Reducing Offending	100-105	-	(46)	55-60
<b>Mark Goodfellow</b> Acting Director, Safer Communities (from 4 April 2022)	95-100	-	98	190-195
<b>Glyn Capper</b> Acting Director, Access to Justice (until 3 July 2022) Acting Director, Northern Ireland Courts and Tribunals Service (from 4 July 2022)	95-100	-	10	105-110
<b>Colin Kennedy</b> Non-Executive Board Member	0-5	0.2	-	5-10
<b>Dr Joanne McDowell</b> Non-Executive Board Member	0.5	0.3	-	0-5

\* 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	2021-22			
	Salary	Benefits in kind	*Pension Benefits	Total
	£000	(to nearest £100) £000	(to nearest £1,000) £000	£000
<b>Peter May</b> Permanent Secretary	135-140	-	54	190-195
<b>Anthony Harbinson</b> Director, Access to Justice (until 25 July 2021)	35-40 (full year equivalent 105-110)	-	17	50-55
<b>Glyn Capper</b> Acting Director, Access to Justice (from 26 July 2021)	60-65 (full year equivalent 95- 100)	-	52	115-120
<b>Deborah Brown</b> Director, Justice Delivery	95-100	-	44	140-145
<b>Ronnie Armour</b> Director, Reducing Offending	100-105	-	56	160-165
<b>Julie Harrison</b> Director, Safer Communities (until 31 March 2022)	105-110	-	42	145-150
<b>Clarke Black</b> Non-Executive Board Member (until 31 July 2021)	0-5	0.3	-	0-5
<b>David Brown</b> Non-Executive Board Member (until 31 July 2021)	0-5	0.3	-	0-5
<b>Colin Kennedy</b> Non-Executive Board Member (from 2 August 2021)	5-10	0.3	-	5-10
<b>Dr Joanne McDowell</b> 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)*****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 Northern Ireland Assembly was dissolved from 3 February 2022 with an election taking place on 5 May 2022, on which date Ministers ceased to hold office. An Executive was not formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. As such, the Department 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 - Core Department and Agencies

*[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 2022-23 was £135,000 to £140,000 (2021-22: £135,000 to £140,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

#### Core Department and Agencies

	2022-23		
	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration (£)	25,090	29,307	37,894
Pay ratio	5.5:1	4.7:1	3.6:1

#### Core Department and Agencies

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

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 2022-23 and 2021-22, the 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration values consisted solely of salary payments.

In 2022-23, three employees (2021-22: three) received remuneration in excess of the highest paid director.

Remuneration ranged from £19,000 to £200,000 (2021-22: £15,000 to £195,000).

**Fair pay disclosures (continued)****Percentage Change in Remuneration - Core Department and Agencies***[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.

**Core Department and Agencies**

	<b>2022-23 v 2021-22</b>	<b>2021-22 v 2020-21</b>
	%	%
Percentage change for:		
Average employee salary and allowances	0.2%	(0.6%)
Highest paid director's salary and allowances*	0%	7.8%
Average employee performance pay and bonuses**	(68.6%)	(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 31/3/23	Real increase in pension at pension age	CETV* at 31/3/23	CETV at 31/3/22	Real increase in CETV
	£000	£000	£000	£000	£000
Naomi Long MLA	0-5	0-2.5	41	32	4

\* 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 (CARE) scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Members of the Legislative Assembly ("MLA" or "Member") 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 judgement 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 judgement could have an impact on MLAs who missed out on the Transitional Protection policy in the AMPS because of their age. However, the applicability of, and approach to, the McCloud judgement 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 MLAs, 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, taking account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as an MLA 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 an MLA. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to 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. 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 the 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 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 Assembly Commission'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 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23**	CETV at 31/3/22*	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	£000
<b>Richard Pengelly CB</b> Permanent Secretary (from 4 April 2022)	75-80 plus 155-160 lump sum	0-2.5 plus nil lump sum	1,444	1,348	(67)	-
<b>Sean Holland CBE</b> Director, Access to Justice (from 1 November 2022)	30-35 plus nil lump sum	0-2.5 plus nil lump sum	670	654	(13)	-
<b>Maura Campbell</b> Acting Director, Access to Justice (from 4 July 2022 until 31 October 2022)	40-45 plus 85-90 lump sum	0-2.5 plus 2.5-5 lump sum	812	744	30	-
<b>Deborah Brown</b> Director, Justice Delivery	30-35 plus 50-55 lump sum	0-2.5 plus nil lump sum	534	488	(10)	-
<b>Ronnie Armour</b> Director, Reducing Offending	55-60 plus lump sum 125-130	0 plus lump sum 0	1,190	1,115	(60)	-
<b>Mark Goodfellow</b> Acting Director, Safer Communities (from 4 April 2022)	45-50 plus 95-100 lump sum	2.5-5.0 plus 7.5-10.0 lump sum	885	723	77	-
<b>Glyn Capper</b> Acting Director, Access to Justice (until 3 July 2022) Acting Director, Northern Ireland Courts and Tribunals Service (from 4 July 2022)	30-35 plus nil lump sum	0-2.5 plus nil lump sum	475	428	(3)	-

\* Or date of joining if later.

\*\* Or date of leaving if earlier.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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

### Compensation for loss of office

There were no compensation benefits paid by the Department to any senior staff members during the financial year (2021-22: £Nil).

### 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).

### ***McCloud Judgment***

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, steps are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. We are currently working on new scheme regulations and processes in readiness for this.

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. 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 completed 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, once published, 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%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

### ***Information on the PCSPS(NI) - Closed Scheme***

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 were eligible to 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.



### Partnership Pension Account

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](http://www.finance-ni.gov.uk/civilservicepensions-ni).

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 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 2023 to 31 March 2024 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution Rates - all members
From	To	
£0	£25,049.99	4.60%
£25,050.00	£56,999.99	5.45%
£57,000.00	£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) Regulations 1996 (as amended) 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.

## STAFF REPORT

## Staff costs

[Audited information]

## Departmental Group

	2022-23				2021-22 (Restated)
	Permanently Employed *Staff	Others	Minister	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	558,000	12,816	22	570,838	570,833
Social security costs	64,497	102	3	64,602	62,542
Other pension costs	65,339	199	3	65,541	62,551
Pension provision	263,458	-	-	263,458	301,916
<b>Total Gross Costs</b>	<b>951,294</b>	<b>13,117</b>	<b>28</b>	<b>964,439</b>	<b>997,842</b>
Less recoveries in respect of outward secondments	(652)	-	-	(652)	(975)
<b>Total Net Costs</b>	<b>950,642</b>	<b>13,117</b>	<b>28</b>	<b>963,787</b>	<b>996,867</b>
<b>Of which:</b>					
Core Department and Agencies	163,285	4,771	28	168,084	162,660
NDPBs	788,009	8,346	-	796,355	835,182
<b>Total Gross Costs</b>	<b>951,294</b>	<b>13,117</b>	<b>28</b>	<b>964,439</b>	<b>997,842</b>

\* Permanently employed staff includes the cost of the Department's Special Adviser. The holder of this post during 2021-22 and 2022-23 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.

## Departmental Group

	2022-23				Total
	Charged to Administra- tion	Charged to Programme	Sub-total Charged to SoCNE	Charged to Capital Projects	
	Note 4 £000	Note 5 £000	£000	£000	
Core Department and Agencies	28,233	137,866	166,099	1,985	168,084
NDPBs	-	796,355	796,355	-	796,355
<b>Total Gross Costs</b>	<b>28,233</b>	<b>934,221</b>	<b>962,454</b>	<b>1,985</b>	<b>964,439</b>

## Departmental Group

	2021-22 (Restated)				Total
	Charged to Administra- tion	Charged to Programme	Sub-total Charged to SoCNE	Charged to Capital Projects	
	Note 4 £000	Note 5 £000	£000	£000	
Core Department and Agencies	27,875	133,368	161,243	1,417	162,660
NDPBs	-	835,182	835,182	-	835,182
<b>Total Gross Costs</b>	<b>27,875</b>	<b>968,550</b>	<b>996,425</b>	<b>1,417</b>	<b>997,842</b>

## 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, including a copy of Unpause Cost Cap Valuation Report, 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 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 2022-23, employers' contributions of £57,118,049 were payable to the NICS pension arrangements (2021-22: £55,395,170, restated) 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 £156,423 (2021-22: £159,775 restated) 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% (2021-22: 8% to 14.75%) of pensionable pay.

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

Employer contributions of £2,367; 0.5% (2021-22: £2,493, restated; 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.

129 persons (2021-22: 118 persons, restated) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £9,507,352 (2021-22: £6,899,145, restated).

**Staff costs (continued)*****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 were, until the end of 2021-22, 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*. From 2022-23 Judicial office holders are covered by the provisions of the *Judicial Pensions Regulations 2022*. The JPS are unfunded public service schemes, providing pensions and related benefits for members of the Judiciary in eligible offices.

The JPS 2015 and 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 paid contributions in relation to salaried and excepted fee-paid and devolved salaried Judicial Office Holders sponsored by DoJ.

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.

## 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]

### Departmental Group

	2022-23				2021-22 (Restated)	
	Permanently Employed *Staff Number	Others Number	Minister Number	Special Advisers Number	Total Number	Total Number
	Safer Communities	10,079	141	-	-	10,220
Access to Justice	778	143	-	-	921	887
Reducing Offending	1,698	9	-	-	1,707	1,762
Justice Delivery	512	22	1	1	536	470
<b>Total</b>	<b>13,067</b>	<b>315</b>	<b>1</b>	<b>1</b>	<b>13,384</b>	<b>13,613</b>
<b>Of which:</b>						
Core Department and Agencies	3,283	179	1	1	3,464	3,429
NDPBs	9,784	136	-	-	9,920	10,184
<b>Total</b>	<b>13,067</b>	<b>315</b>	<b>1</b>	<b>1</b>	<b>13,384</b>	<b>13,613</b>

\* Of the total, 32 members of staff (2021-22: 23) were engaged on capital projects.

## Staff composition

The number of persons employed at 31 March 2023 by the Core Department and its Agencies was as follows:

### Core Department and Agencies

	2022-23			2021-22 (Restated)		
	Female Number	Male Number	Total Number	Female Number	Male Number	Total Number
	Departmental Board	2	6	8	3	4
Senior Civil Service	14	15	29	14	14	28
Departmental employees	1,826	1,705	3,531	1,834	1,689	3,523

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

### Core Department and Agencies

Pay Scale	Banding in 2022-23	2022-23	2021-22
		Number	Number
Pay Scale 1	£75,464 to £84,674	23	23
Pay Scale 2	£96,722 to £108,118	5	4
Pay Scale 3	£124,834 to £142,418	1	1
Pay Scale 4	£168,381 to £192,609	-	-

## Managing attendance

The Department had an overall sickness absence rate of 17.9 days lost per employee in 2022-23 (2021-22: 18.5 days). Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2022/23” report at [Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/sickness-absence-in-the-northern-ireland-civil-service-2022-23). Figures for the 2022-23 financial year were published on 29 June 2023.

## Staff policies

### *Employment, training and advancement of disabled persons*

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. The NICS Diversity Champions Network was established in 2015 and continues to drive diversity and inclusion across the service.

The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the service.

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. Panel members must complete mandatory recruitment and selection training prior to participating on any selection panel. This training includes specific learning on equality and diversity, relevant legislation and reasonable adjustments for disabled candidates. Unconscious bias training is available to all staff.

The NICS continues to be a lead partner of Employers for Disability NI (EFDNI) and is committed to the employment and career advancement of disabled people. A range of activities to encourage and promote Civil Service career opportunities to the disability sector were delivered during 2022/23; including positive action advertising, targeted advertising and outreach information sessions for large volume recruitment competitions. The NICS continues to have a permanent presence on EFDNI’s Jobs Bulletin Board which is an online career opportunities service circulated to disability organisations.

The NICS operates a Guaranteed Interview Scheme (GIS) which applies to all external NICS recruitment competitions (at any grade and any discipline) where appropriate. This ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. For more information refer to the “Information for disabled applicants” section of the [NICS recruit website](#).

Due to the ongoing Covid-19 restrictions, the NICS Work Experience Scheme for Disabled People remained closed to applications until November 2022. The NICS continued its participation in International Job Shadow Day (IJSJ) by facilitating 13 work placements in 2022. This initiative provides work experience for disabled people of all ages.

During this year the nine-month placement work placement opportunities under the Job Start Scheme pilot within the Department for Communities (DfC) for 15 young disabled people (aged 16-24) concluded. As a result of an amendment to Recruitment Code merit principle approved by the Civil Service Commissioners, nine of the successful participants were made permanent offers of appointment in the NICS. Another three placement workers successfully obtained employment with other employers.

In June 2022, the Northern Ireland Executive, in partnership with the Harkin Institute, hosted the Harkin International Summit 2022. The event brought together leaders and activists across Business, Government, Philanthropy, the Third and Voluntary Sector, and Academia to highlight and address disability employment issues, showcase best practice and success, build relationships and challenge for change. The NICS as an employer participated, attended and supported the summit to promote its commitment to disability inclusion.

To maintain and promote a disability inclusive workplace, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons. During the year a programme of awareness training was available to all staff.

### ***Staff diversity, inclusiveness and equality***

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

Our Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+.

We deliver an ambitious diversity and inclusion programme of work through the implementation of an annual NICS Diversity Action Plan, which sets out our priorities for action by diversity and inclusion theme and cross-cutting priorities. In particular, during 2022-23, the DoJ, along with justice partners had a presence at the Belfast Pride and Mela festivals to provide information on the work of the Department and justice partners. Information has also been made available to staff on themes to support diversity and inclusion including domestic abuse and violence, hate crime, modern day slavery and human trafficking.

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

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 data. The statistics are available on the NICS Human Resources Statistics section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

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 (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS [Workforce 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 on its website [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 was established in 2021-22 for the existing HR ICT System to give NIPS time to consider the future for HR services for Officers.

### ***Employee Consultation and Trade Union relationships***

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development within the DoF consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

### **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 Broadly By Analogy (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 1.18, 1.20 and 16 to the Accounts provide further detail on how the pension liabilities are calculated.

### **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 <sup>1</sup>. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and highlights the importance of the development conversation between managers and staff, with a number of resources already available within the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

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<sup>1</sup> NICS HR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance



## Staff engagement

Since the return of staff to the office on a more regular basis and implementation of the Hybrid Working Policy in October 2022, staff engagement has included a number of in-person meetings and activities as well as virtual sessions. The Internal Communications Forum and Staff Engagement Forum has continued to meet on a regular basis, both in-person and virtually, involving representatives from all business areas across the Core Department and its Agencies. Members of both fora have helped inform the development and roll out of a range of staff engagement activities including:

- a Mentoring circles pilot for staff at Staff Officer grade;
- development of a DoJ Calendar with key dates relating to diversity, inclusion and wellbeing information and events;
- training delivered to a group of voluntary Departmental Harassment Contact Officers who are available to provide advice to staff on a confidential basis if a member of staff feels they are experiencing bullying and harassment in the workplace;
- establishment of a Menopause Support Group;
- a Webinar delivered by NICS HR on procedures for managing sickness absence;
- circulation of regular health/wellbeing messages to Wellbeing Champions across the Department for dissemination to staff within their respective business areas as well as publication on the Departmental Intranet;
- promotion of a number of webinars on a variety of topics relating to mental and physical health, as well as information on the Charity for Civil Servants;
- 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 a Departmental e-zine.

## Staff engagement scores

The Head of the NI Civil Service advised staff on 7 November 2022 that the launch of the next People Survey would be postponed until Spring 2023 and so no survey was conducted in 2022. The results of the survey conducted in 2023 were not available in advance of finalising the Annual Report and Accounts. However, the full survey is expected to be made available in Summer 2023 at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

## 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 2022-23 is 7.5%, and the General Turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 6.2%. 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

	2022-23		2021-22 (Restated)	
	Departmental Turnover Rate	General Turnover Rate	Departmental Turnover Rate	General Turnover Rate
	%	%	%	%
Forensic Science Northern Ireland	12.2	7.8	8.7	3.8
Legal Services Agency Northern Ireland	12.6	2.1	7.5	0.8
Northern Ireland Courts and Tribunals Service	10.0	3.0	12.8	6.3
Northern Ireland Prison Service	7.6	7.3	7.8	7.4
Youth Justice Agency	12.7	10.8	8.6	7.7
<b>Core Department and Agencies</b>	<b>7.5</b>	<b>6.2</b>	<b>9.6*</b>	<b>6.7*</b>

\* There has been a change to NISRA's methodology. For 2021-22, the revised departmental turnover percentage is 8.2% while the general turnover percentage remains unchanged.

## 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 2023:

	Core Department and Agencies	NDBPs	Departmental Group
	Number	Number	Number
Number of existing engagements	26	-	26
<i>Of which have:</i>			
Existed for less than one year at time of reporting	-	-	-
Existed for between one and two years at time of reporting	6	-	6
Existed for between two and three years at time of reporting	1	-	1
Existed for between three and four years at time of reporting	-	-	-
Existed for four or more years at time of reporting	19	-	19

All temporary off-payroll workers engaged at any point during the year ended 31 March 2023:

	Core Department and Agencies	NDBPs	Departmental Group
	Number	Number	Number
Number of off-payroll workers engaged during the year	24	1	25
<i>Of which:</i>			
Number determined as out-of-scope of IR35	24	1	25
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 2022-23, the Department paid £60,823 (2021-22: £31,590) to external consultants. These amounts are included in Professional and consultancy costs disclosed within Notes 4 and 5 to the financial statements.

## Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

## Departmental Group

	2022-23			2021-22 (Restated)		
	Compulsory redundancies	Other departures	Total exit packages	Compulsory redundancies	Other departures	Total exit packages
<b>Exit package by cost band:</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Below £10,000	-	2	2	-	-	-
£10,000 - £25,000	-	1	1	-	-	-
£25,001 - £50,000	-	1	1	-	-	-
£50,001 - £100,000	-	-	-	-	2	2
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
Over £200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Of which:</b>						
Core Department and Agencies	-	4	4	-	2	2
NDPBs	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Value</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Total resource cost £</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>-</b>	<b>118</b>	<b>118</b>
<b>Of which:</b>						
Core Department and Agencies	-	51	51	-	118	118
NDPBs	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>-</b>	<b>118</b>	<b>118</b>

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.

In 2022-23, the Special Adviser received an exit package in accordance with the Code Governing the Appointment of Special Advisers issued under the *Civil Service (Special Advisers) Act (Northern Ireland) 2013*.

## 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 capital purposes) 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 its Supply Estimate, and corresponding Act of the Assembly, called control limits, its 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 DoJ website.

The SOAS contains a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly reconcile to cash spent) and administration.

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 Statement of Comprehensive Net Expenditure (SoCNE), to tie the SOAS to the financial statements (SOAS 2); a reconciliation of Net Resource Outturn to Net Cash Requirement (SOAS 3); and an analysis of income payable to the Consolidated Fund (SOAS 4).

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 on gov.uk.

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 98 to 165 form part of these Accounts.

Summary of Resource and Capital Outturn 2022-23 - all figures presented in £000

Type of spend	Note	Outturn			Estimate			2022-23 Outturn vs Estimate (including Virements) saving/ (excess)		2021-22 Outturn
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Expenditure Limit (DEL)</b>										
- Resource	SOAS 1.1	1,255,181	9,054	1,264,235	1,261,805	6,689	1,268,494	6,624	4,259	1,260,341
- Capital	SOAS 1.2	76,223	-	76,223	77,959	-	77,959	1,736	1,736	72,454
<b>Total DEL</b>		<b>1,331,404</b>	<b>9,054</b>	<b>1,340,458</b>	<b>1,339,764</b>	<b>6,689</b>	<b>1,346,453</b>	<b>8,360</b>	<b>5,995</b>	<b>1,332,795</b>
<b>Annually Managed Expenditure (AME)</b>										
- Resource	SOAS 1.1	300,708	(244)	300,464	515,328	(186)	515,142	214,620	214,678	305,542
- Capital	SOAS 1.2	686	-	686	758	-	758	72	72	-
<b>Total AME</b>		<b>301,394</b>	<b>(244)</b>	<b>301,150</b>	<b>516,086</b>	<b>(186)</b>	<b>515,900</b>	<b>214,692</b>	<b>214,750</b>	<b>305,542</b>
<b>Total Budget</b>										
- Resource	SOAS 1.1	1,555,889	8,810	1,564,699	1,777,133	6,503	1,783,636	221,244	218,937	1,565,883
- Capital	SOAS 1.2	76,909	-	76,909	78,717	-	78,717	1,808	1,808	72,454
<b>Total Budget Expenditure</b>		<b>1,632,798</b>	<b>8,810</b>	<b>1,641,608</b>	<b>1,855,850</b>	<b>6,503</b>	<b>1,862,353</b>	<b>223,052</b>	<b>220,745</b>	<b>1,638,337</b>
<b>Non-Budget Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Total Budget and Non-Budget</b>		<b>1,632,798</b>	<b>8,810</b>	<b>1,641,608</b>	<b>1,855,850</b>	<b>6,503</b>	<b>1,862,353</b>	<b>223,052</b>	<b>220,745</b>	<b>1,638,337</b>

Figures in the areas outlined in bold are Voted totals subject to Assembly control.

The notes on pages 98 to 165 form part of these Accounts.

**Net Cash Requirement 2022-23 - all figures presented in £000**

<u>Type of spend</u>		2022-23		2021-22	
		Outturn	Estimate	Outturn vs Estimate (including Virements) saving/ (excess)	Outturn
	Note	Total	Total	Total	Total
		£000	£000	£000	£000
<b>Net Cash Requirement</b>	SOAS 3	<b>1,412,642</b>	<b>1,432,816</b>	<b>20,174</b>	1,391,485

Figures in the areas outlined in bold are Voted totals subject to Assembly control.

**Administration Costs 2022-23 - all figures presented in £000**

<u>Type of spend</u>		2022-23		2021-22	
		Outturn	Estimate	Outturn vs Estimate (including Virements) saving/ (excess)	Outturn
	Note	Total	Total	Total	Total
		£000	£000	£000	£000
<b>Administration costs</b>	SOAS 1.1	<b>37,764</b>	<b>38,140</b>	<b>376</b>	36,405

The notes on pages 98 to 165 form part of these Accounts.

## Notes to the Statement of Outturn against Assembly Supply 2022-23 - all figures presented in £000

## SOAS 1 Outturn detail by Estimate line

## SOAS 1.1 Analysis of Resource Outturn detail by Estimate line

<u>Type of spend</u>	Outturn*						Estimate			2022-23	2021-22	
										Outturn vs Estimate (including Virement) saving/ (excess)	Outturn	
	Administration			Programme			Total			Total	Total	
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virement	Total including Virement	Total	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Spending in Departmental Expenditure Limit (DEL)</b>												
<b>Voted expenditure</b>												
1. Access to Justice	17,058	(384)	16,674	214,175	(44,499)	169,676	186,350	184,464	1,886	186,350	-	176,897
Of which:												
Access to Justice - Core Department	9,203	(219)	8,984	16,077	(6,006)	10,071	19,055	20,652	(1,597)	19,055	-	16,568
NI Courts and Tribunals Service	7,855	(165)	7,690	85,204	(37,730)	47,474	55,164	56,184	(1,020)	55,164	-	54,023
Legal Services Agency NI	-	-	-	111,830	(763)	111,067	111,067	106,481	4,586	111,067	-	105,175
Criminal Justice Inspection NI*	-	-	-	1,064	-	1,064	1,064	1,147	(83)	1,064	-	1,131
2. Safer Communities	8,966	(253)	8,713	88,467	(5,932)	82,535	91,248	97,116	(1,886)	95,230	3,982	88,572
Of which:												
Safer Communities - Core Department	8,966	(253)	8,713	27,571	(5,534)	22,037	30,750	33,195	(1,886)	31,309	559	29,964
Forensic Science NI	-	-	-	15,208	(398)	14,810	14,810	15,422	-	15,422	612	14,980
Probation Board for NI*	-	-	-	25,443	-	25,443	25,443	25,627	-	25,627	184	23,897
Office of the Police Ombudsman for NI*	-	-	-	10,860	-	10,860	10,860	12,925	-	12,925	2,065	10,227
NI Policing Board*	-	-	-	6,047	-	6,047	6,047	6,170	-	6,170	123	6,197
Police Rehabilitation & Retraining Trust*	-	-	-	1,947	-	1,947	1,947	2,059	-	2,059	112	1,732
NI Police Fund*	-	-	-	1,202	-	1,202	1,202	1,528	-	1,528	326	1,369
RUC George Cross Foundation*	-	-	-	189	-	189	189	190	-	190	1	206

\* NDPB outturn is recorded Net.

The notes on pages 98 to 165 form part of these Accounts.

## SOAS 1.1 Analysis of Resource Outturn detail by Estimate line (continued)

Type of spend	Outturn*						Estimate			2022-23	2021-22	
										Outturn vs Estimate (including Virement) saving/ (excess)	Outturn	
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virement	Total including Virement	Total	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Spending in Departmental Expenditure Limit (DEL) (continued)</b>												
3. NI Prison Service and Youth Justice Agency	12,596	(219)	12,377	147,979	(9,621)	138,358	150,735	152,574	-	152,574	1,839	144,604
Of which:												
NI Prison Service	12,596	(219)	12,377	132,618	(9,615)	123,003	135,380	135,876	-	135,876	496	129,256
Youth Justice Agency	-	-	-	15,361	(6)	15,355	15,355	16,698	-	16,698	1,343	15,348
4. Police Service of NI*	-	-	-	826,848	-	826,848	826,848	827,651	-	827,651	803	841,931
<b>Total Voted DEL</b>	<b>38,620</b>	<b>(856)</b>	<b>37,764</b>	<b>1,277,469</b>	<b>(60,052)</b>	<b>1,217,417</b>	<b>1,255,181</b>	<b>1,261,805</b>	<b>-</b>	<b>1,261,805</b>	<b>6,624</b>	<b>1,252,004</b>
<b>Non-Voted expenditure</b>												
5. NI Courts and Tribunals Service - Consolidated Fund Standing Services	-	-	-	9,739	-	9,739	9,739	9,689	-	9,689	(50)	9,349
6. Consolidated Fund Extra Receipts	-	-	-	-	(685)	(685)	(685)	(3,000)	-	(3,000)	(2,315)	(1,012)
<b>Total Non-Voted DEL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,739</b>	<b>(685)</b>	<b>9,054</b>	<b>9,054</b>	<b>6,689</b>	<b>-</b>	<b>6,689</b>	<b>(2,365)</b>	<b>8,337</b>
<b>Total Resource spending in DEL</b>	<b>38,620</b>	<b>(856)</b>	<b>37,764</b>	<b>1,287,208</b>	<b>(60,737)</b>	<b>1,226,471</b>	<b>1,264,235</b>	<b>1,268,494</b>	<b>-</b>	<b>1,268,494</b>	<b>4,259</b>	<b>1,260,341</b>

\* NDPB outturn is recorded Net.

The notes on pages 98 to 165 form part of these Accounts.



## SOAS 1.1 Analysis of Resource Outturn detail by Estimate line (continued)

<u>Type of spend</u>	Outturn*						Estimate			2022-23	2021-22	
										Outturn vs Estimate (including Virement) saving/ (excess)	Outturn	
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virement	Total including Virement	Total	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Spending in Annually Managed Expenditure (AME)</b>												
<b>Voted expenditure</b>												
<i>Of which:</i>												
7. Core Department	-	-	-	(4,523)	-	(4,523)	(4,523)	9,809	-	9,809	14,332	(14,990)
8. NI Courts and Tribunals Service	-	-	-	(721)	-	(721)	(721)	503	-	503	1,224	(448)
9. Legal Services Agency NI	-	-	-	(4,851)	-	(4,851)	(4,851)	20,282	-	20,282	25,133	4,587
10. Forensic Science NI	-	-	-	(131)	-	(131)	(131)	50	-	50	181	(26)
11. NI Prison Service	-	-	-	(377)	-	(377)	(377)	72,929	-	72,929	73,306	(201)
12. Youth Justice Agency	-	-	-	(110)	-	(110)	(110)	85	-	85	195	(278)
13. PSNI Pensions*	-	-	-	305,227	-	305,227	305,227	373,477	-	373,477	68,250	303,356
14. Police Service of NI*	-	-	-	1,363	-	1,363	1,363	32,153	-	32,153	30,790	8,892
15. Other NDPBs*	-	-	-	4,831	-	4,831	4,831	6,040	-	6,040	1,209	4,927
<b>Total Voted AME</b>	-	-	-	<b>300,708</b>	-	<b>300,708</b>	<b>300,708</b>	<b>515,328</b>	-	<b>515,328</b>	<b>214,620</b>	<b>305,819</b>
<b>Non-Voted expenditure</b>												
16. NI Courts and Tribunals Service - Consolidated Fund Standing Services	-	-	-	(244)	-	(244)	(244)	(186)	-	(186)	58	(277)
<b>Total Non-Voted AME</b>	-	-	-	<b>(244)</b>	-	<b>(244)</b>	<b>(244)</b>	<b>(186)</b>	-	<b>(186)</b>	<b>58</b>	<b>(277)</b>
<b>Total Resource spending in AME</b>	-	-	-	<b>300,464</b>	-	<b>300,464</b>	<b>300,464</b>	<b>515,142</b>	-	<b>515,142</b>	<b>214,678</b>	<b>305,542</b>

\* NDPB outturn is recorded Net.

The notes on pages 98 to 165 form part of these Accounts.

SOAS 1.1 Analysis of Resource Outturn detail by Estimate line (continued)

<u>Type of spend</u>	Outturn*						Estimate			2022-23	2021-22	
										Outturn vs Estimate (including Virement) saving/ (excess)	Outturn	
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virement	Total including Virement	Total	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Total Non-Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total Resource	38,620	(856)	37,764	1,587,672	(60,737)	1,526,935	1,564,699	1,783,636	-	1,783,636	218,937	1,565,883

\* NDPB outturn is recorded Net.

The main reasons for the variances are outlined above in the Budgetary Performance section of the Financial Review.

The notes on pages 98 to 165 form part of these Accounts.

## SOAS 1.2 Analysis of Capital Outturn detail by Estimate line

Type of spend	Outturn*			Estimate			2022-23	2021-22
							Outturn vs Estimate (including Virement) saving/ (excess)	Outturn
	Gross	Income	Net Total	Total	Virement	Total including virement	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Spending in Departmental Expenditure Limit (DEL)</b>								
<b>Voted expenditure</b>								
1. Access to Justice	9,221	(387)	8,834	9,069	-	9,069	235	5,012
Of which:								
Access to Justice - Core Department	1,043	(383)	660	558	102	660	-	483
NI Courts and Tribunals Service	6,296	-	6,296	6,408	(104)	6,304	8	4,265
Legal Services Agency NI	1,879	(4)	1,875	2,102	-	2,102	227	264
Criminal Justice Inspection NI*	3	-	3	1	2	3	-	-
2. Safer Communities	4,224	(390)	3,834	4,784	-	4,784	950	1,926
Of which:								
Safer Communities - Core Department	795	(383)	412	657	(15)	642	230	321
Forensic Science NI	1,411	(7)	1,404	1,588	-	1,588	184	1,180
Probation Board for NI*	504	-	504	846	-	846	342	155
Office of the Police Ombudsman for NI*	194	-	194	288	-	288	94	118
NI Policing Board*	51	-	51	60	-	60	9	41
Police Rehabilitation & Retraining Trust*	1,269	-	1,269	1,254	15	1,269	-	103
NI Police Fund*	-	-	-	79	-	79	79	2
RUC George Cross Foundation*	-	-	-	12	-	12	12	6
3. NI Prison Service and Youth Justice Agency	16,608	(405)	16,203	16,486	-	16,486	283	9,419
Of which:								
NI Prison Service	16,040	(405)	15,635	15,907	-	15,907	272	9,248
Youth Justice Agency	568	-	568	579	-	579	11	171
4. Police Service of NI*	47,352	-	47,352	47,620	-	47,620	268	56,097

\* NDPB outturn is recorded Net.

The notes on pages 98 to 165 form part of these Accounts

## SOAS 1.2 Analysis of Capital Outturn detail by Estimate line (continued)

<u>Type of spend</u>	Outturn*			Estimate			2022-23	2021-22
	Gross	Income	Net Total	Total	Virement	Total including virement	Outturn vs Estimate (including Virement) saving/ (excess)	Outturn
							Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b><u>Spending in Departmental Expenditure Limit (DEL) (continued)</u></b>								
<b>Total Voted DEL</b>	<b>77,405</b>	<b>(1,182)</b>	<b>76,223</b>	<b>77,959</b>	<b>-</b>	<b>77,959</b>	<b>1,736</b>	<b>72,454</b>
<b>Non-Voted expenditure</b>								
5. NI Courts and Tribunals Service - Consolidated Fund Standing Services	-	-	-	-	-	-	-	-
6. Consolidated Fund Extra Receipts	-	-	-	-	-	-	-	-
<b>Total Non-Voted DEL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital spending in DEL</b>	<b>77,405</b>	<b>(1,182)</b>	<b>76,223</b>	<b>77,959</b>	<b>-</b>	<b>77,959</b>	<b>1,736</b>	<b>72,454</b>
<b><u>Spending in Annually Managed Expenditure (AME)</u></b>								
<b>Voted expenditure</b>								
<i>Of which:</i>								
7. Core Department	-	-	-	-	-	-	-	-
8. NI Courts and Tribunals Service	170	-	170	170	-	170	-	-
9. Legal Services Agency NI	153	-	153	154	-	154	1	-
10. Forensic Science NI	-	-	-	-	-	-	-	-
11. NI Prison Service	-	-	-	-	-	-	-	-
12. Youth Justice Agency	363	-	363	334	29	363	-	-
13. PSNI Pensions*	-	-	-	-	-	-	-	-
14. Police Service of NI*	-	-	-	-	-	-	-	-
15. Other NDPBs*	-	-	-	100	(29)	71	71	-
<b>Total Voted AME</b>	<b>686</b>	<b>-</b>	<b>686</b>	<b>758</b>	<b>-</b>	<b>758</b>	<b>72</b>	<b>-</b>

\* NDPB outturn is recorded Net.

The notes on pages 98 to 165 form part of these Accounts.

## SOAS 1.2 Analysis of Capital Outturn detail by Estimate line (continued)

<u>Type of spend</u>	Outturn*			Estimate			2022-23	2021-22
							Outturn vs Estimate (including Virement) saving/ (excess)	Outturn
	Gross	Income	Net Total	Total	Virement	Total including virement	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Non-Voted expenditure</b>								
16. NI Courts and Tribunals Service - Consolidated Fund Standing Services	-	-	-	-	-	-	-	-
<b>Total Non-Voted AME</b>	-	-	-	-	-	-	-	-
<b>Total Capital spending in AME</b>	686	-	686	758	-	758	72	-
<b>Total Capital</b>	78,091	(1,182)	76,909	78,717	-	78,717	1,808	72,454

\* NDPB outturn is recorded Net.

The main reasons for the variances are outlined in the Budgetary and Estimates Performance sections of the Financial Review.

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 or Parliament.

The notes on pages 98 to 165 form part of these Accounts.

**SOAS 2 Reconciliation of Outturn to Net Expenditure**

		2022-23	2021-22
	Note	Outturn £000	Outturn £000
<b>Total Resource Outturn in Statement of Outturn against Assembly Supply</b>			
Total DEL	SOAS 1.1	1,264,235	1,260,341
Total AME	SOAS 1.1	300,464	305,542
Total Non-Budget	SOAS 1.1	-	-
		<b>1,564,699</b>	<b>1,565,883</b>
Add: Capital grants		-	59
Add: Research and Development grants		581	608
Add: Asset Recovery Incentivisation Scheme	SOAS 3	685	1,012
		<b>1,266</b>	<b>1,679</b>
<b>Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	SoCNE	<b>1,565,965</b>	<b>1,567,562</b>

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.

Capital grants and Research & Development (R&D) grants are budgeted for as Capital DEL but accounted for as spend on the face of the SoCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure.

Asset Recovery Incentivisation Scheme (ARIS) is a type of Consolidated Fund Extra Receipt (CFER), which is not accounted for as income on the face of the SoCNE as it does not relate to the Department's operating activities. The CFER is treated as Resource DEL income for budgeting purposes and therefore functions as a reconciling item between Resource Outturn and Net Operating Expenditure.

The notes on pages 98 to 165 form part of these Accounts.

## SOAS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

		2022-23		
	Note	Outturn £000	Estimate £000	Outturn vs Estimate saving/ (excess) £000
<b>Resource Outturn</b>	SOAS 1.1	1,564,699	1,783,636	218,937
<b>Capital Outturn</b>	SOAS 1.2	76,909	78,717	1,808
<b>Adjustments for ALBs:</b>				
Remove voted resource and capital		(1,241,027)	(1,339,227)	(98,200)
Add cash grant-in-aid	5	1,045,032	1,042,222	(2,810)
<b>Adjustments to remove non-cash items:</b>				
Depreciation, impairments and revaluations	7, 8	(27,923)	(30,183)	(2,260)
New provisions and adjustments to previous provisions	15, 16	(112,709)	(219,220)	(106,511)
Other non-cash items	4,5	623	-	623
<b>Adjustments to reflect movements in working balances:</b>				
(Decrease) in inventories	11	(15)	-	15
Increase in receivables	13	6,138	6,232	94
(Increase) in payables	14	(12,312)	-	12,312
(Decrease) in financial assets		(3)	-	3
Use of provisions and pensions liabilities	15, 16	122,040	117,142	(4,898)
		<b>(220,156)</b>	<b>(423,034)</b>	<b>(202,878)</b>
<b>Removal of Non-Voted budget items</b>				
Consolidated Fund Standing Services	5	(9,495)	(9,503)	(8)
Consolidated Fund Extra Receipts - ARIS	SOAS 2	685	3,000	2,315
		<b>(8,810)</b>	<b>(6,503)</b>	<b>2,307</b>
<b>Net Cash Requirement</b>		<b>1,412,642</b>	<b>1,432,816</b>	<b>20,174</b>

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.

**SOAS 4 Income 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).

The type of income allowed to be retained by the Department is set out in the ambit of the Supply Estimate. Income of a type not included in the Estimate, or in excess of amounts agreed with the Department of Finance, is required to be surrendered to the Consolidated Fund. This includes income relating to fines, confiscation orders, fixed penalties and other monetary penalties. Details of income collected by NICTS will be disclosed in the NICTS Trust Statement which is published separately from these financial statements.

	2022-23		2021-22	
	Accruals	<i>Cash basis</i>	Accruals	<i>Cash basis</i>
	£000	£000	£000	£000
Income outside the ambit of the Estimate (Resource)	4,152	<i>4,152</i>	4,960	<i>4,960</i>
Income outside the ambit of the Estimate (Capital)	-	<i>-</i>	7	<i>7</i>
Excess cash surrenderable to the Consolidated Fund	917	<i>837</i>	930	<i>773</i>
<b>Total Amount Payable to the Consolidated Fund</b>	<b>5,069</b>	<b><i>4,989</i></b>	<b>5,897</b>	<b><i>5,740</i></b>

The notes on pages 98 to 165 form part of these Accounts.



## OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

## Losses and Special Payments

*[Audited information]**Losses statement*

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	Number	Number	Number	Number
<b>Numbers</b>				
Cash losses	7	10	3	10
Claims abandoned	-	266	3	291
Administrative write-offs	212	215	319	325
Fruitless payments	1	352	4	323
Stores losses	-	7	-	627
<b>Total number of losses</b>	<b>220</b>	<b>850</b>	<b>329</b>	<b>1,576</b>

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
<b>Values</b>				
Cash losses	-	4	-	17
Claims abandoned	-	185	58	355
Administrative write-offs	793	797	630	638
Fruitless payments	-	52	-	54
Stores losses	-	1	-	70
<b>Total value of losses</b>	<b>793</b>	<b>1,039</b>	<b>688</b>	<b>1,134</b>

*Special payments*

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	Number	Number	Number	Number
<b>Numbers</b>				
Compensation payments	1,212	1,620	1,096	1,487
Ex gratia payments	2	2	-	-
<b>Total number of special payments</b>	<b>1,214</b>	<b>1,622</b>	<b>1,096</b>	<b>1,487</b>

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
<b>Values</b>				
Compensation payments	13,961	18,482	13,626	18,544
Ex gratia payments	3	3	-	-
<b>Total value of special payments</b>	<b>13,964</b>	<b>18,485</b>	<b>13,626</b>	<b>18,544</b>

The notes on pages 98 to 165 form part of these Accounts.

**OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES (CONTINUED)****Compensation payments**

During 2022-23, final compensation payments were made in 1,066 cases (2021-22: 962) by Compensation Services. The total amount of compensation paid in these cases was £12.357m (2021-22: £12.472m).

Included in the litigation provision in Note 15 are special payments made by the Northern Ireland Prison Service. Amounts utilised during the year included 95 compensation payments (2021-22: 85) totalling £1.25m (2021-22: £0.960m). There were no individual payments exceeding £0.250m in 2022-23 (2021-22: None).

During 2022-23, final compensation payments were made in 51 cases (2021-22: 47 cases) by Northern Ireland Courts and Tribunals Service. The total amount of compensation paid in these cases was £0.443m (2021-22: £0.183m). There were no individual payments in excess of £0.250m during 2022-23 (2021-22: None).

Compensation payments were made in 2022-23 in 408 cases (2021-22: 391) by PSNI. The total amount of compensation paid in these cases was £4.521m (2021-22: £4.918m). This includes two payments of damages made in excess of £250,000 in 2022-23 (2021-22: three) to individuals following mediation in respect of legacy civil litigation.

**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 which 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 the SAU, within the DfC, under a Memorandum of Understanding since 2019. The estimated level of overpayments in legal aid expenditure resulting from official error in 2022-23 is £1.3m (2021-22: £1.0m; 2020-21: £4.4m), whilst the estimated level of underpayments is £1.2m (2021-22: £0.9m; 2020-21: £1.2m).

Estimates of applicant fraud and error within individual sampled legal aid payments have been provided by the SAU, within the 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 was £1.3m. For the reasons outlined in Section 7 of the Governance Statement, applicant fraud and error testing in its former guise was suspended in 2022 and replaced with a review of live cases under the heading of Future Overpayment Prevention. The 2021-22 figure of £1.3m remains the official baseline for applicant fraud and error within legal aid expenditure.

LSANI does not currently produce an estimate of the likely scale of overpayments or underpayments made to legal practitioners resulting from fraud and error. However, independent measurement commenced in 2023 with the baseline to be established for that year.

The notes on pages 98 to 165 form part of these Accounts.

## Fees and charges

[Audited information]

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

	2022-23			2021-22 (Restated)		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
	£000	£000	£000	£000	£000	£000
AccessNI	4,025	(2,651)	1,374	3,832	(2,712)	1,120
NI Courts and Tribunals Service	24,875	(29,960)	(5,085)	21,508	(29,564)	(8,056)
Forensic Science NI	11,453	(16,063)	(4,610)	11,503	(15,713)	(4,210)
<b>Total</b>	<b>40,353</b>	<b>(48,674)</b>	<b>(8,321)</b>	<b>36,843</b>	<b>(47,989)</b>	<b>(11,146)</b>

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

### 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 2022-23 represents 83% of cost recovery (2021-22: 73%).

### Forensic Science Northern Ireland (FSNI)

Whilst there is a deficit of £4.610m (2021-22: £4.210m) 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

3 July 2023

The notes on pages 98 to 165 form part of these Accounts.

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

### Opinion on financial statements

I certify that I have audited the financial statements of the Department of Justice for the year ended 31 March 2023 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Department comprises the Core Department and its Agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) Order 2022. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the Departmental Group financial statements 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 and the Departmental Group's affairs as at 31 March 2023 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 2023 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 Department of Justice and its Group 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.

## THE 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 and its Group'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 and its Group'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 and its Group is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

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

### Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information. 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.

## THE 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 Group 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;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Department of Justice and its Group'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 and its Group 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.

## THE CERTIFICATE AND REPORT OF THE COMPROLLER 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 and its Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on the Department of Justice and its Group'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 and its Group'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.

**THE 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](http://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. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. 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.



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

*5 July 2023*



**FINANCIAL STATEMENTS****Consolidated Statement of Comprehensive Net Expenditure****For the year ended 31 March 2023**

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

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
Revenue from contracts with customers	6	(57,027)	(50,187)	(50,844)	(43,852)
Other operating income	6	(14,329)	(70,851)	(9,227)	(61,234)
<b>Total operating income</b>		<b>(71,356)</b>	<b>(121,038)</b>	<b>(60,071)</b>	<b>(105,086)</b>
Staff costs	4, 5	166,269	962,454	161,243	996,425
Purchase of goods and services	4, 5	129,279	286,364	115,746	290,444
Depreciation and impairment charges	4, 5	27,923	85,234	28,001	81,997
Provisions expense	5	111,256	138,047	99,680	137,644
Grants	5	1,053,981	13,259	1,049,927	13,737
<b>Total operating expenditure</b>		<b>1,488,708</b>	<b>1,485,358</b>	<b>1,454,597</b>	<b>1,520,247</b>
<b>Net operating expenditure</b>		<b>1,417,352</b>	<b>1,364,320</b>	<b>1,394,526</b>	<b>1,415,161</b>
Finance income	6	(10)	(17)	-	(3)
Finance expense	4, 5	2,001	201,646	1,743	152,330
<b>Net expenditure for the year before taxation and notionals</b>		<b>1,419,343</b>	<b>1,565,949</b>	<b>1,396,269</b>	<b>1,567,488</b>
Corporation tax		-	16	-	74
<b>Net expenditure for the year</b>		<b>1,419,343</b>	<b>1,565,965</b>	<b>1,396,269</b>	<b>1,567,562</b>
Audit notional costs		418	418	385	385
Other notional costs		8,213	8,213	9,012	9,012
<b>Total notional costs</b>		<b>8,631</b>	<b>8,631</b>	<b>9,397</b>	<b>9,397</b>
<b>Net expenditure for the year including notionals</b>		<b>1,427,974</b>	<b>1,574,596</b>	<b>1,405,666</b>	<b>1,576,959</b>
<b>Other comprehensive net expenditure</b>					
Items that will not be reclassified to Net operating expenditure:					
Net (gain) on revaluation of:					
- property, plant and equipment	7, 10	(41,676)	(93,293)	(24,774)	(59,321)
- intangible assets	8	(1,431)	(1,572)	(759)	(702)
Actuarial (gain)/loss on provisions and pension liabilities	15, 16	(38,213)	(4,856,059)	15,649	669,208
<b>Comprehensive net expenditure for the year</b>		<b>1,346,654</b>	<b>(3,376,328)</b>	<b>1,395,782</b>	<b>2,186,144</b>

The notes on pages 98 to 165 form part of these Accounts.

## Consolidated Statement of Financial Position - Core Department and Agencies

As at 31 March 2023

This statement presents the financial position of the Core Department and Agencies within 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.

		31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Core Department and Agencies	Core Department and Agencies	Core Department and Agencies
Note		£000	£000	£000
<b>Non-current assets</b>				
Property, plant and equipment	7	612,973	571,581	559,474
Intangible assets	8	18,631	16,553	15,863
Trade and other receivables	13	929	22	21
Financial assets		9	11	13
<b>Total non-current assets</b>		<b>632,542</b>	<b>588,167</b>	<b>575,371</b>
<b>Current assets</b>				
Assets classified as held for sale	10	701	60	60
Inventories	11	1,229	1,244	1,195
Trade and other receivables	13	33,076	26,657	20,564
Financial assets		2	3	5
Cash and cash equivalents	12	3,117	2,931	4,727
<b>Total current assets</b>		<b>38,125</b>	<b>30,895</b>	<b>26,551</b>
<b>Total assets</b>		<b>670,667</b>	<b>619,062</b>	<b>601,922</b>
<b>Current liabilities</b>				
Trade and other payables	14	(72,665)	(58,810)	(56,911)
Provisions	15	(96,500)	(95,693)	(88,201)
<b>Total current liabilities</b>		<b>(169,165)</b>	<b>(154,503)</b>	<b>(145,112)</b>
<b>Total assets less current liabilities</b>		<b>501,502</b>	<b>464,559</b>	<b>456,810</b>
<b>Non-current liabilities</b>				
Provisions	15	(175,955)	(223,345)	(228,318)
Pension liabilities	16	(969)	(1,488)	(1,453)
Other payables	14	(7,807)	(7,316)	(9,072)
<b>Total non-current liabilities</b>		<b>(184,731)</b>	<b>(232,149)</b>	<b>(238,843)</b>
<b>Total assets less total liabilities</b>		<b>316,771</b>	<b>232,410</b>	<b>217,967</b>
<b>Taxpayers' equity and other reserves</b>				
General Fund		40,456	(11,351)	(10,294)
Revaluation Reserve		276,315	243,761	228,261
<b>Total equity</b>		<b>316,771</b>	<b>232,410</b>	<b>217,967</b>



**Richard Pengelly CB**  
Accounting Officer

3 July 2023

The notes on pages 98 to 165 form part of these Accounts.

## Consolidated Statement of Financial Position - Departmental Group

As at 31 March 2023

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

		31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Departmental Group	Departmental Group	Departmental Group
Note		£000	£000	£000
<b>Non-current assets</b>				
Property, plant and equipment	7	1,397,774	1,305,565	1,254,858
Intangible assets	8	23,636	20,308	21,019
Trade and other receivables	13	6,980	2,393	1,969
Financial assets		20	20	26
<b>Total non-current assets</b>		<b>1,428,410</b>	<b>1,328,286</b>	<b>1,277,872</b>
<b>Current assets</b>				
Assets classified as held for sale	10	3,675	3,240	3,421
Inventories	11	8,211	7,475	7,369
Trade and other receivables	13	46,174	48,122	35,840
Financial assets		9	14	21
Cash and cash equivalents	12	6,375	7,675	10,157
<b>Total current assets</b>		<b>64,444</b>	<b>66,526</b>	<b>56,808</b>
<b>Total assets</b>		<b>1,492,854</b>	<b>1,394,812</b>	<b>1,334,680</b>
<b>Current liabilities</b>				
Trade and other payables	14	(172,404)	(175,671)	(165,285)
Provisions	15	(162,647)	(151,287)	(148,285)
<b>Total current liabilities</b>		<b>(335,051)</b>	<b>(326,958)</b>	<b>(313,570)</b>
<b>Total assets less current liabilities</b>		<b>1,157,803</b>	<b>1,067,854</b>	<b>1,021,110</b>
<b>Non-current liabilities</b>				
Provisions	15	(771,125)	(1,089,194)	(904,712)
Pension liabilities	16	(7,707,236)	(12,112,527)	(11,472,570)
Other payables	14	(13,282)	(7,316)	(9,072)
<b>Total non-current liabilities</b>		<b>(8,491,643)</b>	<b>(13,209,037)</b>	<b>(12,386,354)</b>
<b>Total assets less total liabilities</b>		<b>(7,333,840)</b>	<b>(12,141,183)</b>	<b>(11,365,244)</b>
<b>Taxpayers' equity and other reserves</b>				
General Fund		(7,958,247)	(12,681,500)	(11,856,958)
Revaluation Reserve		624,407	540,317	491,714
<b>Total equity</b>		<b>(7,333,840)</b>	<b>(12,141,183)</b>	<b>(11,365,244)</b>



**Richard Pengelly CB**  
Accounting Officer

**3 July 2023**

The notes on pages 98 to 165 form part of these Accounts.

## Consolidated Statement of Cash Flows

## For the year ended 31 March 2023

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

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Net expenditure for the year after taxation		(1,427,974)	(1,574,596)	(1,405,666)	(1,576,959)
Adjustment for non-cash transactions		148,662	695,191	138,157	682,083
(Increase) in trade and other receivables	13	(4,990)	(1,605)	(3,152)	(9,898)
(Increase)/decrease in inventories	11	15	(736)	(49)	(106)
Increase/(decrease) in trade and other payables	14	7,462	(4,320)	4,291	15,080
Use of provisions	15, 16	(122,284)	(459,212)	(113,924)	(433,124)
Other adjustment		-	-	-	(20)
<b>Net cash outflow from operating activities</b>		<b>(1,399,109)</b>	<b>(1,345,278)</b>	<b>(1,380,343)</b>	<b>(1,322,944)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(17,200)	(72,571)	(15,979)	(75,118)
Purchase of intangible assets		(3,468)	(3,839)	(2,851)	(3,111)
Proceeds of disposal of property, plant and equipment		11	727	6	458
Proceeds of disposal of assets held for sale		-	1,320	-	825
Loans to other bodies		-	(11)	-	(11)
Repayments from other bodies		3	16	5	25
<b>Net cash outflow from investing activities</b>		<b>(20,654)</b>	<b>(74,358)</b>	<b>(18,819)</b>	<b>(76,932)</b>
<b>Cash flows from financing activities</b>					
From the Consolidated Fund (Supply) - current year		1,409,486	1,409,486	1,388,830	1,388,830
From the Consolidated Fund (Supply) - prior year		2,656	2,656	(840)	(840)
From the Consolidated Fund (non-Supply)		9,739	9,739	9,349	9,349
Capital element of payments in respect of leases and 'on-balance sheet' (SoFP) PPP/PFI contracts		(2,621)	(4,111)	(1,666)	(1,666)
<b>Net cash inflow from financing activities</b>		<b>1,419,260</b>	<b>1,417,770</b>	<b>1,395,673</b>	<b>1,395,673</b>
<b>Net (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>(503)</b>	<b>(1,866)</b>	<b>(3,489)</b>	<b>(4,203)</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		4,989	5,070	5,733	5,894
Payments of amounts due to the Consolidated Fund		(4,772)	(4,772)	(6,210)	(6,210)
<b>Net (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(286)</b>	<b>(1,568)</b>	<b>(3,966)</b>	<b>(4,519)</b>
<b>Cash and cash equivalents at the start of the period</b>	12	<b>(2,277)</b>	<b>1,966</b>	<b>1,689</b>	<b>6,485</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>(2,563)</b>	<b>398</b>	<b>(2,277)</b>	<b>1,966</b>

The notes on pages 98 to 165 form part of these Accounts.

## Consolidated Statement of Changes in Taxpayers' Equity - Core Department and Agencies

### For the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the Core Department and Agencies, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). 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. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

	Note	Core Department and Agencies		
		General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
<b>Balance at 31 March 2021</b>	2	(10,294)	228,261	217,967
Review of Financial Process - NDPB adjustment	2	-	-	-
<b>Restated balance at 1 April 2021</b>		<b>(10,294)</b>	<b>228,261</b>	<b>217,967</b>
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		(1,421,315)	25,533	(1,395,782)
Auditor's remuneration		385	-	385
Other notionals		9,012	-	9,012
<b>Movement in reserves:</b>				
Transfer between reserves		10,033	(10,033)	-
<b>Balance at 31 March 2022</b>		<b>(11,351)</b>	<b>243,761</b>	<b>232,410</b>
Net Assembly Funding - drawn down		1,412,142	-	1,412,142
Net Assembly Funding - deemed		(2,656)	-	(2,656)
Consolidated Fund Standing Services		9,739	-	9,739
Supply receivable adjustment	13	3,159	-	3,159
Excess accruing resources	14	-	-	-
Comprehensive net expenditure for the year		(1,389,761)	43,107	(1,346,654)
Auditor's remuneration		418	-	418
Other notionals		8,213	-	8,213
<b>Movement in reserves:</b>				
Transfer between reserves		10,553	(10,553)	-
<b>Balance at 31 March 2023</b>		<b>40,456</b>	<b>276,315</b>	<b>316,771</b>

The notes on pages 98 to 165 form part of these Accounts.

## Consolidated Statement of Changes in Taxpayers' Equity - Departmental Group

## For the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the Departmental Group, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). 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. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

	Note	Departmental Group (Restated)		
		General Fund	Revaluation Reserve	Taxpayers' Equity
		£000	£000	£000
<b>Balance at 31 March 2021</b>	2	(10,294)	228,261	217,967
Review of Financial Process - NDPB adjustment	2	(11,846,664)	263,453	(11,583,211)
<b>Restated balance at 1 April 2021</b>		<b>(11,856,958)</b>	<b>491,714</b>	<b>(11,365,244)</b>
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		(2,246,167)	60,023	(2,186,144)
Auditor's remuneration		385	-	385
Other notionals		9,012	-	9,012
<b>Movement in reserves:</b>				
Transfer between reserves		11,420	(11,420)	-
Other		(20)	-	(20)
<b>Balance at 31 March 2022</b>		<b>(12,681,500)</b>	<b>540,317</b>	<b>(12,141,183)</b>
Net Assembly Funding - drawn down		1,412,142	-	1,412,142
Net Assembly Funding - deemed		(2,656)	-	(2,656)
Consolidated Fund Standing Services		9,739	-	9,739
Supply receivable adjustment	13	3,159	-	3,159
Excess accruing resources	14	-	-	-
Comprehensive net expenditure for the year		3,281,463	94,865	3,376,328
Auditor's remuneration		418	-	418
Other notionals		8,213	-	8,213
<b>Movement in reserves:</b>				
Transfer between reserves		10,775	(10,775)	-
Other movements		-	-	-
<b>Balance at 31 March 2023</b>		<b>(7,958,247)</b>	<b>624,407</b>	<b>(7,333,840)</b>

The notes on pages 98 to 165 form part of these Accounts.

## Notes to the Accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (*FReM*) issued by the Department of Finance. The accounting policies contained in the *FReM* apply 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 consolidate the Core Department, Executive Agencies and NDPBs which fall within the Departmental boundary as defined in the *FReM* and make up the Departmental Group. A list of entities included within the Departmental boundary is given in Note 23.

Where two columns are included, the first contains amounts for the Core Department and Agencies and the second contains amounts for the Departmental Group as a whole. Accounting policies are harmonised across the Group and all significant intra-departmental balances and transactions between entities within the Departmental boundary are eliminated.

All consolidated entities have accounting reference dates that align with the Core Department.

#### 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'.

#### **Consolidation of asset categories**

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

- plant and machinery
- motor vehicles
- aircraft and helicopters
- furniture and fittings
- office equipment
- security equipment
- antiques

Where relevant 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.

## 1.4 Valuation of property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is normally capitalised. PSNI expenditure is capitalised on property, plant and equipment that exceeds £5,000 for an individual asset, or £1,000 for an asset forming part of a significant asset group. The majority of firearms are not capitalised as they fall outside these threshold limits.

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

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

All property, plant and equipment are carried at fair value. 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, Forensic Science Northern Ireland and PSNI. These are valued at the lower of cost or net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate. 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 Taxation

### Value Added Tax (VAT)

Where relevant, output VAT is charged or input VAT is recoverable, and 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 for the Core Department and Agencies. Where relevant the NDPBs are registered for VAT as individual entities.

### Corporation Tax

As Crown bodies, the Core Department and Agencies are exempt from liability for Corporation Tax. However NDPBs are required to register for Corporation Tax purposes as individual entities and tax is calculated on any profits generated from the sale of assets, or through the use or rental of surplus properties.

## 1.11 Leases

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

### **Implementation and Assumptions**

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

The Department has expanded the definition of a lease to include arrangements with nil consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition. On transition, any differences between the discounted lease liability and the right of use asset are included through cumulative catch. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income in the SoCNE.

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

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

### **Previous treatment**

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

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

## 1.11 Leases (continued)

### **Policy applicable from 1 April 2022**

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

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

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

### **Departmental Group as a lessee**

#### **Right of use assets**

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

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

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

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

#### **Lease liabilities**

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

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

### 1.11 Leases (continued)

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Department is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Department is reasonably certain not to terminate early.

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

#### **Departmental Group as lessor**

Where the Department acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised in the SoCNE on a straight-line basis.

#### **Impact on financial statements**

On transition to IFRS 16, the Departmental Group recognised an additional £10.015m of right of use assets (Notes 7 and 18) and £9.828m of lease liabilities at 1 April 2022.

#### **Reconciliation from IAS 17 to IFRS 16**

This table reconciles the amounts of operating lease commitments as at 31 March 2022, to the lease liabilities as at 1 April 2022 immediately following adoption of IFRS 16.

	<b>Core Department and Agencies £000</b>	<b>Departmental Group £000</b>
Closing operating leases disclosed at 31 March 2022	2,091	9,073
<i>Adjustments from IAS 17 to IFRS 16:</i>		
Finance lease liabilities	(14)	3,240
Impact of discounting	(19)	(848)
Short term and low value leases	(107)	(1,038)
Non-recoverable VAT	-	(599)
<b>IFRS 16 opening balance lease liabilities at 1 April 2022</b>	<b>1,951</b>	<b>9,828</b>

### 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.

Income and expenditure for all NDPBs is regarded as 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 3 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 including:

- Rental income from properties is recognised on a straight-line basis over the lease term; and
- Other income 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. All fine income is payable to the Northern Ireland Consolidated Fund via the Department as consolidated fund extra receipts.

## 1.18 Pension costs

Past and present employees of the Core Department and Agencies are covered by the provisions of the NICS pension arrangements, which are defined benefit schemes. In certain circumstances employees of NDPBs (including PSNI, NI Policing Board and Office of the Police Ombudsman) are also members of the NICS pension arrangements. 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.

Police officers are members of either:

- Closed Scheme - operating under the *Pensions (Northern Ireland) Order 1995 and the Royal Ulster Constabulary Pensions Regulations (Northern Ireland) 1988* with subsequent amendments;
- New Scheme - operating under the *Police Pensions (Northern Ireland) Regulations 2007* which apply from 6 April 2006. Entry to the New Scheme was closed on the 31 March 2015; or
- CARE Scheme - this is a Career Average Revalued Earnings (CARE) Scheme governed by the *Police Pensions Regulations (Northern Ireland) 2015*. This was the only Scheme open to new entrants during the 2022-23 financial year.

These are unfunded defined benefit plans. PSNI contributes a percentage of pensionable earnings towards its employees' superannuation, at the Accruing Superannuation Liability Charge (ASLC) rates, determined by the Government Actuary's Department and advised by HM Treasury. A separate account is prepared showing details of the PSNI and is also consolidated as part of the Departmental Group.

Probation Board NI employees are members of the Local Government Pension Scheme in Northern Ireland operated by NILGOSC. This is a funded defined benefit plan.

The Department is also 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.

Current service costs are the increase in the present value of the scheme liabilities arising from current members' service over the year. They are determined by the individual scheme actuaries and are calculated using the discount rate at the start of the year. Past service costs are changes in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction, change, or improvement to retirement benefits. These also include any gains or losses in relation to events defined as settlements or curtailments.

Pension financing costs are the decrease during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement. The financing cost is based on the discount rate (including inflation) at the start of the year and is calculated on the gross liability of unfunded schemes (which is shown gross) and the net liability of funded schemes (i.e. net of assets).

The gains and losses on revaluation reflect three elements:

- the change in the underlying assumptions used by the actuaries to determine the value of scheme liabilities. This includes changes in the assumptions such as financial assumptions, mortality rates and projected salary increases;
- where in-year experience differs from assumptions previously used to determine the liabilities. For example, relating to assumptions about general salary and pension increases; and
- differences between the asset returns experienced in-year and the interest on the assets included in the Statement of Revenue and Expenditure for funded schemes.

### 1.18 Pension costs (continued)

The current service costs, any past service costs, including those arising from settlements or curtailments, and pension financing costs are recognised as an increase in the pension liability and are charged to the Statement of Revenue and Expenditure. The gain or loss on revaluation of pension scheme assets and liabilities is recognised in the Statement of Other Comprehensive Income.

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

### 1.19 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.

### 1.20 Early departure costs

The Core Department, Agencies and NDPBs 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. Where relevant the Department provides 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.

The Department has adapted the presentation of notional costs on the Consolidated Statement of Comprehensive Net Expenditure to be shown below the 'Net expenditure for the year', followed by a new total of 'Net expenditure for the year including notionals'. This change has been introduced as a solution to the misalignment of notional costs being recorded in accounts and estimates but not budgets, highlighted by the Review of Financial Process. Further details are disclosed in Note 2, including the impact of this change on comparative disclosures for 2021-22.

Total notional costs for the Department are £8.631m (2021-22: £9.397m), split between Admin - £6.806m (2021-22: £7.415m) and Programme - £1.825m (2021-22: £1.982m).

Notional charges do not apply to NDPBs.

### 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 3.



## 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 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.

## 1.24 Financial instruments (continued)

### 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) - Pensions and Injury on duty awards*

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. Injury on duty awards take into account factors including the current number of injury awards and life expectancy. Full details are contained in Notes 15 and 16.

### *(ii) - 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.

### *(iii) - 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.

### *(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 2022-23 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 2022 or later periods, but which the Department has not adopted. The Department considers that these are either not relevant or material to its operations.

**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 but are not yet effective, nor adopted early for these Accounts. The Department considers that these are either not relevant or material to its operations.

**1.28 Financial reporting - future developments**

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

## 2. Prior period restatements and reclassifications

### Review of Financial Process

Review of Financial Process (RoFP) was initiated to simplify financial reporting to better align Budgets, Estimates and Accounts. The legislation necessary for RoFP (*The Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022*) received Royal Assent in March 2022.

The Department is applying this accounting policy change for the first time for the financial year ended 31 March 2023 and, in accordance with IAS 1 as adapted by the *FReM*, has restated prior year comparatives to ensure comparability and consistency of financial information against the current reporting period.

The most significant changes to the Annual Report and Accounts as a result of RoFP are as follows:

- the Departmental boundary (incorporating both Estimates and Accounts boundaries) has been extended to incorporate Executive NDPBs. These bodies were not previously consolidated within these Accounts and were financed via grant-in-aid. Therefore, the Departmental Group now includes the Core Department, supply financed Agencies and Executive NDPBs;
- the primary statements (including the SOAS) and the Notes to the Accounts (including Net Outturn, Reconciliation of outturn to net operating expenditure, Reconciliation of Net Cash Requirement and Income payable to the Consolidated Fund) have been revised to incorporate the alignment requirements; and
- the Assembly control totals have been revised to reflect the alignment of the Estimates and Budgeting boundaries

The entities included within the Department's accounting boundary during 2022-23 are listed in Note 23.

### Notional costs

Costs associated with the provision of shared services, or services provided by one department or agency to another, are notionally charged. Under RoFP, this would result in a misalignment due to notional costs being recorded in Accounts and Estimates but not in Budgets.

DoF has therefore issued guidance for departments and agencies to adapt the presentation of notional costs on the Statement of Comprehensive Net Expenditure. Notional costs will now be shown below 'Net expenditure for the year', followed by a new total of 'Net expenditure for the year including notionals'. Prior year comparatives have been reclassified accordingly.

### Pension liabilities

Prior to RoFP, the Core Department analysed its pension liabilities between current and non-current liabilities. To ensure consistency with other pension scheme liabilities disclosed in the DoJ financial statements under RoFP, the pension liabilities for the Core Department are now disclosed as non-current liabilities and prior year comparatives have been reclassified accordingly.

### Other restatements

#### **Northern Ireland Courts and Tribunals Service (NICTS)**

NICTS made a final adjustment to its 2021-22 financial statements to reflect latest provisions information from GAD. DoJ did not adjust its 2021-22 financial statements at the time as it was not considered to be a material adjustment for DoJ. However, given that DoJ has had to restate prior year comparatives in its 2022-23 financial statements to reflect the implementation of RoFP, DoJ has also taken this opportunity to restate for the NICTS adjustment to ensure consistency of reporting between NICTS and DoJ.

The overall impact of the above changes on comparative disclosures for prior years is shown below.

## 2. Prior period restatements and reclassifications (continued)

**Consolidated Statement of Financial Position**

As at 1 April 2021

	Note	31 March	1 April			1 April 2021	
		2021 (per Audited Accounts)	2021 (Restated)		(Restated)		
		Core Department and Agencies	NICTS adjustment	RoFP reclassifications	Core Department and Agencies	RoFP adjustment for NDPBs	Departmental Group
		£000	£000	£000	£000	£000	£000
<b>Non-current assets</b>							
Property, plant and equipment	7	559,474	-	-	559,474	695,384	1,254,858
Intangible assets	8	15,863	-	-	15,863	5,156	21,019
Trade and other receivables	13	21	-	-	21	1,948	1,969
Financial assets		13	-	-	13	13	26
<b>Total non-current assets</b>		<b>575,371</b>	<b>-</b>	<b>-</b>	<b>575,371</b>	<b>702,501</b>	<b>1,277,872</b>
<b>Current assets</b>							
Assets classified as held for sale	10	60	-	-	60	3,361	3,421
Inventories	11	1,195	-	-	1,195	6,174	7,369
Trade and other receivables	13	20,564	-	-	20,564	15,276	35,840
Financial assets		5	-	-	5	16	21
Cash and cash equivalents	12	4,727	-	-	4,727	5,430	10,157
<b>Total current assets</b>		<b>26,551</b>	<b>-</b>	<b>-</b>	<b>26,551</b>	<b>30,257</b>	<b>56,808</b>
<b>Total assets</b>		<b>601,922</b>	<b>-</b>	<b>-</b>	<b>601,922</b>	<b>732,758</b>	<b>1,334,680</b>
<b>Current liabilities</b>							
Trade and other payables	14	(56,911)	-	-	(56,911)	(108,374)	(165,285)
Provisions	15	(88,201)	-	-	(88,201)	(60,084)	(148,285)
Pension liabilities	16	(47)	-	47	-	-	-
<b>Total current liabilities</b>		<b>(145,159)</b>	<b>-</b>	<b>47</b>	<b>(145,112)</b>	<b>(168,458)</b>	<b>(313,570)</b>
<b>Total assets less current liabilities</b>		<b>456,763</b>	<b>-</b>	<b>47</b>	<b>456,810</b>	<b>564,300</b>	<b>1,021,110</b>
<b>Non-current liabilities</b>							
Provisions	15	(228,318)	-	-	(228,318)	(676,394)	(904,712)
Pension liabilities	16	(1,406)	-	(47)	(1,453)	(11,471,117)	(11,472,570)
Other payables	14	(9,072)	-	-	(9,072)	-	(9,072)
<b>Total non-current liabilities</b>		<b>(238,796)</b>	<b>-</b>	<b>(47)</b>	<b>(238,843)</b>	<b>(12,147,511)</b>	<b>(12,386,354)</b>
<b>Total assets less total liabilities</b>		<b>217,967</b>	<b>-</b>	<b>-</b>	<b>217,967</b>	<b>(11,583,211)</b>	<b>(11,365,244)</b>
<b>Taxpayers' equity and other reserves</b>							
General Fund		(10,294)	-	-	(10,294)	(11,846,664)	(11,856,958)
Revaluation Reserve		228,261	-	-	228,261	263,453	491,714
<b>Total equity</b>		<b>217,967</b>	<b>-</b>	<b>-</b>	<b>217,967</b>	<b>(11,583,211)</b>	<b>(11,365,244)</b>

## 2. Prior period restatements and reclassifications (continued)

**Consolidated Statement of Financial Position****As at 31 March 2022**

	Note	31 March 2022 (per Audited Accounts)			31 March 2022 (Restated)		31 March 2022 (Restated)
		Core Department and Agencies £000	NICTS adjustment £000	RoFP reclassifications £000	Core Department and Agencies £000	RoFP adjustment for NDPBs £000	Departmental Group £000
<b>Non-current assets</b>							
Property, plant and equipment	7	571,581	-	-	571,581	733,984	1,305,565
Intangible assets	8	16,553	-	-	16,553	3,755	20,308
Trade and other receivables	13	22	-	-	22	2,371	2,393
Financial assets	11	11	-	-	11	9	20
<b>Total non-current assets</b>		<b>588,167</b>	<b>-</b>	<b>-</b>	<b>588,167</b>	<b>740,119</b>	<b>1,328,286</b>
<b>Current assets</b>							
Assets classified as held for sale	10	60	-	-	60	3,180	3,240
Inventories	11	1,244	-	-	1,244	6,231	7,475
Trade and other receivables	13	26,657	-	-	26,657	21,465	48,122
Financial assets		3	-	-	3	11	14
Cash and cash equivalents	12	2,931	-	-	2,931	4,744	7,675
<b>Total current assets</b>		<b>30,895</b>	<b>-</b>	<b>-</b>	<b>30,895</b>	<b>35,631</b>	<b>66,526</b>
<b>Total assets</b>		<b>619,062</b>	<b>-</b>	<b>-</b>	<b>619,062</b>	<b>775,750</b>	<b>1,394,812</b>
<b>Current liabilities</b>							
Trade and other payables	14	(58,810)	-	-	(58,810)	(116,861)	(175,671)
Provisions	15	(95,368)	(325)	-	(95,693)	(55,594)	(151,287)
Pension liabilities	16	(48)	-	48	-	-	-
<b>Total current liabilities</b>		<b>(154,226)</b>	<b>(325)</b>	<b>48</b>	<b>(154,503)</b>	<b>(172,455)</b>	<b>(326,958)</b>
<b>Total assets less current liabilities</b>		<b>464,836</b>	<b>(325)</b>	<b>48</b>	<b>464,559</b>	<b>603,295</b>	<b>1,067,854</b>
<b>Non-current liabilities</b>							
Provisions	15	(223,954)	609	-	(223,345)	(865,849)	(1,089,194)
Pension liabilities	16	(1,440)	-	(48)	(1,488)	(12,111,039)	(12,112,527)
Other payables	14	(7,316)	-	-	(7,316)	-	(7,316)
<b>Total non-current liabilities</b>		<b>(232,710)</b>	<b>609</b>	<b>(48)</b>	<b>(232,149)</b>	<b>(12,976,888)</b>	<b>(13,209,037)</b>
<b>Total assets less total liabilities</b>		<b>232,126</b>	<b>284</b>	<b>-</b>	<b>232,410</b>	<b>(12,373,593)</b>	<b>(12,141,183)</b>
<b>Taxpayers' equity and other reserves</b>							
General Fund		(11,635)	284	-	(11,351)	(12,670,149)	(12,681,500)
Revaluation Reserve		243,761	-	-	243,761	296,556	540,317
<b>Total equity</b>		<b>232,126</b>	<b>284</b>	<b>-</b>	<b>232,410</b>	<b>(12,373,593)</b>	<b>(12,141,183)</b>

## 2. Prior period restatements and reclassifications (continued)

**Consolidated Statement of Comprehensive Net Expenditure****For the year ended 31 March 2022**

		2021-22 (per Audited Accounts)			2021-22 (Restated)		2021-22 (Restated)
	Note	Core Department and Agencies £000	NICTS adjustment £000	RoFP reclassi- fications £000	Core Department and Agencies £000	RoFP adjustment for NDPBs £000	Departmental Group £000
Revenue from contracts with customers	6	(50,844)	-	-	(50,844)	6,992	(43,852)
Other operating income	6	(9,227)	-	-	(9,227)	(52,007)	(61,234)
<b>Total operating income</b>		<b>(60,071)</b>	<b>-</b>	<b>-</b>	<b>(60,071)</b>	<b>(45,015)</b>	<b>(105,086)</b>
Staff costs	4, 5	161,243	-	-	161,243	835,182	996,425
Purchase of goods and services	4, 5	125,143	-	(9,397)	115,746	174,698	290,444
Depreciation and impairment charges	4, 5	28,001	-	-	28,001	53,996	81,997
Provisions expense	5	100,639	(959)	-	99,680	37,964	137,644
Grants	5	1,049,927	-	-	1,049,927	(1,036,190)	13,737
<b>Total operating expenditure</b>		<b>1,464,953</b>	<b>(959)</b>	<b>(9,397)</b>	<b>1,454,597</b>	<b>65,650</b>	<b>1,520,247</b>
<b>Net operating expenditure</b>		<b>1,404,882</b>	<b>(959)</b>	<b>(9,397)</b>	<b>1,394,526</b>	<b>20,635</b>	<b>1,415,161</b>
Finance income		-	-	-	-	(3)	(3)
Finance expense	4, 5	1,737	6	-	1,743	150,587	152,330
<b>Net expenditure for the year before taxation and notionals</b>		<b>1,406,619</b>	<b>(953)</b>	<b>(9,397)</b>	<b>1,396,269</b>	<b>171,219</b>	<b>1,567,488</b>
Corporation tax		-	-	-	-	74	74
<b>Net expenditure for the year</b>		<b>1,406,619</b>	<b>(953)</b>	<b>(9,397)</b>	<b>1,396,269</b>	<b>171,293</b>	<b>1,567,562</b>
Audit notional costs		-	-	385	385	-	385
Other notional costs		-	-	9,012	9,012	-	9,012
<b>Total notional costs</b>		<b>-</b>	<b>-</b>	<b>9,397</b>	<b>9,397</b>	<b>-</b>	<b>9,397</b>
<b>Net expenditure for the year including notionals</b>		<b>1,406,619</b>	<b>(953)</b>	<b>-</b>	<b>1,405,666</b>	<b>171,293</b>	<b>1,576,959</b>
<b>Other comprehensive net expenditure</b>							
Items that will not be reclassified to Net operating expenditure:							
Net (gain)/loss on revaluation of:							
- property, plant and equipment	7	(24,774)	-	-	(24,774)	(34,547)	(59,321)
- intangible assets	8	(759)	-	-	(759)	57	(702)
Actuarial loss on provisions and pension liabilities	15, 16	14,980	669	-	15,649	653,559	669,208
<b>Comprehensive net expenditure For the year</b>		<b>1,396,066</b>	<b>(284)</b>	<b>-</b>	<b>1,395,782</b>	<b>790,362</b>	<b>2,186,144</b>

## 2. Prior period restatements and reclassifications (continued)

### Average number of persons employed

For the year ended 31 March 2022

Note	2021-22 (per Audited Accounts)			2021-22 (Restated)		2021-22 (Restated)
	Core Department and Agencies	NICTS adjustment	RoFP reclassi- fications	Core Department and Agencies	RoFP adjustment for NDPBs	Departmental Group
	Number	Number	Number	Number	Number	Number
Safer Communities	321	-	-	321	10,173	10,494
Access to Justice	876	-	-	876	11	887
Reducing Offending	1,762	-	-	1,762	-	1,762
Justice Delivery	470	-	-	470	-	470
<b>Total</b>	<b>3,429</b>	<b>-</b>	<b>-</b>	<b>3,429</b>	<b>10,184</b>	<b>13,613</b>



### 3. Statement of Operating Expenditure by Operating Segment

					2022-23
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Gross expenditure	1,279,968	111,966	148,118	155,599	1,695,651
Income	(60,559)	(38,366)	(4,086)	(18,044)	(121,055)
<b>Net expenditure</b>	<b>1,219,409</b>	<b>73,600</b>	<b>144,032</b>	<b>137,555</b>	<b>1,574,596</b>

					2021-22 (Restated)
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Gross expenditure	1,294,662	103,377	141,786	142,223	1,682,048
Income	(56,037)	(33,019)	(3,592)	(12,441)	(105,089)
<b>Net expenditure</b>	<b>1,238,625</b>	<b>70,358</b>	<b>138,194</b>	<b>129,782</b>	<b>1,576,959</b>

**(i) - Safer Communities Directorate** is responsible for the lead interface with PSNI and 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 and PSNI Police Pensions;
- Probation Board for Northern Ireland; and
- RUC George Cross Foundation.

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

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

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

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

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

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

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

- Legal Services Agency Northern Ireland.

### 3.1 Reconciliation between Operating Segments and Consolidated Statement of Comprehensive Net Expenditure

	2022-23				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Total net expenditure reported for Operating Segments	1,219,409	73,600	144,032	137,555	1,574,596
Reconciling items	-	-	-	-	-
<b>Total net expenditure per Statement of Comprehensive Net Expenditure</b>	<b>1,219,409</b>	<b>73,600</b>	<b>144,032</b>	<b>137,555</b>	<b>1,574,596</b>

	2021-22 (Restated)				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Total net expenditure reported for Operating Segments	1,238,625	70,358	138,194	129,782	1,576,959
Reconciling items	-	-	-	-	-
<b>Total net expenditure per Statement of Comprehensive Net Expenditure</b>	<b>1,238,625</b>	<b>70,358</b>	<b>138,194</b>	<b>129,782</b>	<b>1,576,959</b>

### 3.2 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.

## 4. Other administration expenditure

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
<b>Staff costs*</b>					
Wages and salaries		20,109	19,939	19,876	19,876
Social security costs		2,253	2,253	2,171	2,171
Other pension costs		6,041	6,041	5,828	5,828
		<b>28,403</b>	<b>28,233</b>	<b>27,875</b>	<b>27,875</b>
<b>Purchase of goods and services</b>					
Accommodation costs, maintenance and utilities		536	536	469	469
IT, communications and office services		1,571	1,571	1,667	1,667
Consumables, equipment and transport costs		11	11	51	51
Contracted out and managed services		3,479	3,479	3,504	3,504
Professional and consultancy services		1,466	1,466	1,350	1,350
Rentals under operating leases		3	3	190	190
Staff related costs		922	922	465	465
Other costs		1,178	1,178	77	77
Commissions, Panels and Tribunals costs		15	15	17	17
		<b>9,181</b>	<b>9,181</b>	<b>7,790</b>	<b>7,790</b>
<b>Non-cash items</b>					
Loss on disposal of non-current assets	7, 8	-	-	9	9
		<b>9,181</b>	<b>9,181</b>	<b>7,799</b>	<b>7,799</b>
<b>Depreciation and impairment charges</b>					
Depreciation	7	841	841	1,149	1,149
Amortisation	8	517	517	409	409
Revaluation released to SoCNE	7, 8	(20)	(20)	36	36
		<b>1,338</b>	<b>1,338</b>	<b>1,594</b>	<b>1,594</b>
<b>Finance expense</b>					
		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Total Administration costs including finance expense</b>		<b>38,923</b>	<b>38,753</b>	<b>37,268</b>	<b>37,268</b>

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

## 5. Programme expenditure

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
<b>Staff costs*</b>					
Wages and salaries		101,501	549,497	98,460	549,960
Social security costs		10,437	62,188	9,932	60,258
Other pension costs		25,928	59,078	24,976	56,416
Pension provision		-	263,458	-	301,916
		<b>137,866</b>	<b>934,221</b>	<b>133,368</b>	<b>968,550</b>
<b>Purchase of goods and services</b>					
Accommodation costs, maintenance and utilities		23,267	65,738	21,008	60,963
IT, communications and office services		4,483	42,092	3,835	50,561
Consumables, equipment and transport costs		3,314	21,726	2,740	20,008
Contracted out and managed services		23,965	51,057	18,828	46,721
Professional and consultancy services		7,411	20,499	7,454	29,227
Client and other programme operating costs		18,069	25,443	16,346	21,848
Rentals under operating leases		406	1,759	1,640	4,315
Staff related costs		1,967	10,943	1,968	14,182
Other costs		1,661	2,613	1,085	1,902
Auditor's remuneration		7	223	-	198
Commissions, Panels and Tribunals costs		12,354	12,493	10,388	10,529
PFI service charges		3,353	3,353	3,127	3,127
Judicial costs		10,949	10,949	10,534	10,534
Judicial costs - Consolidated Fund		9,495	9,495	9,072	9,072
		<b>120,701</b>	<b>278,383</b>	<b>108,025</b>	<b>283,259</b>
<b>Non-cash items</b>					
Loss/(profit) on disposal of non-current assets	7, 8	24	(637)	50	(520)
Other non-cash items		(627)	(563)	(128)	(94)
		<b>(603)</b>	<b>(1,200)</b>	<b>(78)</b>	<b>(614)</b>
<b>Total purchase of goods and services</b>		<b>120,098</b>	<b>277,183</b>	<b>107,947</b>	<b>282,645</b>
<b>Depreciation and impairment charges</b>					
Depreciation	7	24,620	79,276	22,009	72,598
Amortisation	8	2,704	3,835	2,756	4,402
Revaluation released to SoCNE	7, 8	(739)	785	1,642	3,403
		<b>26,585</b>	<b>83,896</b>	<b>26,407</b>	<b>80,403</b>
<b>Provisions expense</b>					
Provided in year	15	107,444	144,227	110,323	160,180
Written back in year	15	3,812	(6,180)	(10,643)	(22,536)
		<b>111,256</b>	<b>138,047</b>	<b>99,680</b>	<b>137,644</b>
<b>Grants</b>					
Grant-in-aid to NDPBs		1,045,032	-	1,040,694	-
Other grants		8,949	13,259	9,233	13,737
		<b>1,053,981</b>	<b>13,259</b>	<b>1,049,927</b>	<b>13,737</b>
<b>Finance expense</b>					
Interest payable and similar charges		547	626	594	595
Borrowing costs on provisions	15	1,430	13,307	1,131	7,911
Pension liability interest charges	16	23	187,712	18	143,824
		<b>2,000</b>	<b>201,645</b>	<b>1,743</b>	<b>152,330</b>
<b>Total Programme costs including finance expense</b>		<b>1,451,786</b>	<b>1,648,251</b>	<b>1,419,072</b>	<b>1,635,309</b>

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

## 6. Income

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
<b>Administration income</b>				
<b>Revenue from contracts with customers</b>				
Fees, levies and charges	165	165	166	166
Sales of goods and services	565	565	238	238
	<b>730</b>	<b>730</b>	<b>404</b>	<b>404</b>
<b>Other operating income</b>				
Seconded costs	126	126	202	27
Rental income	19	-	111	-
Other non-trading income	-	-	(2)	(2)
	<b>145</b>	<b>126</b>	<b>311</b>	<b>25</b>
<b>Total Administration operating income</b>	<b>875</b>	<b>856</b>	<b>715</b>	<b>429</b>
<b>Programme income</b>				
<b>Revenue from contracts with customers</b>				
Fees, levies and charges	52,248	45,108	46,939	39,829
Sales of goods and services	4,049	4,349	3,501	3,619
	<b>56,297</b>	<b>49,457</b>	<b>50,440</b>	<b>43,448</b>
<b>Other operating income</b>				
Recovery of seconded costs	-	526	-	948
Rental income	622	680	576	749
Other non-trading income	13,512	22,143	8,298	15,074
Grant income	50	690	42	637
EU grant income	-	216	-	143
Pension scheme contributions - employees	-	46,470	-	43,658
	<b>14,184</b>	<b>70,725</b>	<b>8,916</b>	<b>61,209</b>
<b>Total Programme operating income</b>	<b>70,481</b>	<b>120,182</b>	<b>59,356</b>	<b>104,657</b>
<b>Total operating income</b>	<b>71,356</b>	<b>121,038</b>	<b>60,071</b>	<b>105,086</b>
<b>Finance income</b>	10	17	-	3
<b>Total income after finance income</b>	<b>71,366</b>	<b>121,055</b>	<b>60,071</b>	<b>105,089</b>

## 6. Income (continued)

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

	2022-23				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Core Department and Agencies
	£000	£000	£000	£000	£000
Fees, levies and charges	11,193	37,196	-	4,024	52,413
Sales of goods and services	34	-	4,049	531	4,614
<b>Revenue from contracts with customers</b>	<b>11,227</b>	<b>37,196</b>	<b>4,049</b>	<b>4,555</b>	<b>57,027</b>

	2022-23				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Fees, levies and charges	4,053	37,196	-	4,024	45,273
Sales of goods and services	334	-	4,049	531	4,914
<b>Revenue from contracts with customers</b>	<b>4,387</b>	<b>37,196</b>	<b>4,049</b>	<b>4,555</b>	<b>50,187</b>

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

	2021-22 (Restated)				
	Safer Communities Directorate	Access to Justice Directorate	Reducing Offending Directorate	Justice Delivery Directorate	Departmental Group
	£000	£000	£000	£000	£000
Fees, levies and charges	3,661	32,505	-	3,829	39,995
Sales of goods and services	149	-	3,501	207	3,857
<b>Revenue from contracts with customers</b>	<b>3,810</b>	<b>32,505</b>	<b>3,501</b>	<b>4,036</b>	<b>43,852</b>

## 7. Property, plant and equipment

	2022-23					
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Departmental Group
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 April 2022	101,624	1,293,896	230,442	183,544	127,899	1,937,405
IFRS 16 Leases opening adjustment	66	8,356	179	1,414	-	10,015
Additions	220	6,728	3,167	2,241	62,295	74,651
Disposals	-	(2,823)	(6,569)	(17,270)	-	(26,662)
Reclassification	(1,041)	3,657	10,979	18,490	(35,412)	(3,327)
Revaluation released to SoCNE	-	532	(1,368)	105	-	(731)
Revaluation	(113)	106,176	14,337	8,907	-	129,307
<b>At 31 March 2023</b>	<b>100,756</b>	<b>1,416,522</b>	<b>251,167</b>	<b>197,431</b>	<b>154,782</b>	<b>2,120,658</b>
<b>Depreciation</b>						
At 1 April 2022	-	366,769	137,003	128,068	-	631,840
Charged in year	5	45,861	18,993	15,258	-	80,117
Disposals	-	(1,677)	(6,282)	(17,169)	-	(25,128)
Reclassification	-	-	(38)	26	-	(12)
Revaluation released to SoCNE	-	(13)	3	63	-	53
Revaluation	-	21,213	8,841	5,960	-	36,014
<b>At 31 March 2023</b>	<b>5</b>	<b>432,153</b>	<b>158,520</b>	<b>132,206</b>	<b>-</b>	<b>722,884</b>
<b>Carrying amount at 31 March 2023</b>	<b>100,751</b>	<b>984,369</b>	<b>92,647</b>	<b>65,225</b>	<b>154,782</b>	<b>1,397,774</b>
<b>Carrying amount at 31 March 2022</b>	<b>101,624</b>	<b>927,127</b>	<b>93,439</b>	<b>55,476</b>	<b>127,899</b>	<b>1,305,565</b>
<b>Asset financing:</b>						
Owned	100,690	930,579	92,309	63,900	154,782	1,342,260
Finance leased*	61	10,680	338	1,325	-	12,404
PPP/PFI contracts*	-	43,110	-	-	-	43,110
<b>Carrying amount at 31 March 2023</b>	<b>100,751</b>	<b>984,369</b>	<b>92,647</b>	<b>65,225</b>	<b>154,782</b>	<b>1,397,774</b>
<b>Of which:</b>						
Core Department and Agencies	41,690	521,531	19,249	4,830	25,673	612,973
NDPBs	59,061	462,838	73,398	60,395	129,109	784,801
<b>Carrying amount at 31 March 2023</b>	<b>100,751</b>	<b>984,369</b>	<b>92,647</b>	<b>65,225</b>	<b>154,782</b>	<b>1,397,774</b>

\* Further details regarding the Department's Leases are contained in Note 18.

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

## 7. Property, plant and equipment (continued)

	2021-22 (Restated)					
	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Departmental Group
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 April 2021	101,316	1,274,902	216,589	167,975	105,147	1,865,929
Additions	-	2,143	1,210	1,191	64,512	69,056
Disposals	-	(1,827)	(8,706)	(4,569)	-	(15,102)
Reclassification	(250)	11,613	15,693	14,499	(41,760)	(205)
Revaluation released to SoCNE	(90)	(5,158)	(1,617)	(233)	-	(7,098)
Revaluation	648	12,223	7,273	4,681	-	24,825
<b>At 31 March 2022</b>	<b>101,624</b>	<b>1,293,896</b>	<b>230,442</b>	<b>183,544</b>	<b>127,899</b>	<b>1,937,405</b>
<b>Depreciation</b>						
At 1 April 2021	-	373,346	120,291	117,434	-	611,071
Charged in year	-	40,340	21,258	12,149	-	73,747
Disposals	-	(1,788)	(8,431)	(4,550)	-	(14,769)
Reclassification	-	(14)	(181)	192	-	(3)
Revaluation released to SoCNE	-	(3,600)	(1)	(109)	-	(3,710)
Revaluation	-	(41,515)	4,067	2,952	-	(34,496)
<b>At 31 March 2022</b>	<b>-</b>	<b>366,769</b>	<b>137,003</b>	<b>128,068</b>	<b>-</b>	<b>631,840</b>
<b>Carrying amount at 31 March 2022</b>	<b>101,624</b>	<b>927,127</b>	<b>93,439</b>	<b>55,476</b>	<b>127,899</b>	<b>1,305,565</b>
<b>Carrying amount at 31 March 2021</b>	<b>101,316</b>	<b>901,556</b>	<b>96,298</b>	<b>50,541</b>	<b>105,147</b>	<b>1,254,858</b>
<b>Asset financing:</b>						
Owned	101,624	885,745	93,439	55,476	127,899	1,264,183
Finance leased*	-	-	-	-	-	-
PPP/PFI contracts**	-	41,382	-	-	-	41,382
<b>Carrying amount at 31 March 2022</b>	<b>101,624</b>	<b>927,127</b>	<b>93,439</b>	<b>55,476</b>	<b>127,899</b>	<b>1,305,565</b>
<b>Of which:</b>						
Core Department and Agencies	41,990	492,926	17,526	4,038	15,101	571,581
NDPBs	59,634	434,201	75,913	51,438	112,798	733,984
<b>Carrying amount at 31 March 2022</b>	<b>101,624</b>	<b>927,127</b>	<b>93,439</b>	<b>55,476</b>	<b>127,899</b>	<b>1,305,565</b>

\* Further details regarding the Department's Leases are contained in Note 18.

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



## 7. Property, plant and equipment (continued)

	At 31 March 2023			
	Net Book Value (NBV) of land and buildings £000	NBV as a % of total for Departmental Group %	Date of most recent valuation by Land and Property Services (LPS)	Basis of LPS valuations
Police Service of Northern Ireland	517,472	48%	A rolling valuation is undertaken each year to ensure that the full Estate will be valued every five years.	Operational specialised assets, such as police stations, are valued at depreciated replacement cost. Operational non-specialised assets, such as offices, are valued at market value based on existing use.
Northern Ireland Prison Service	306,389	28%	1 April 2021	Depreciated replacement cost.
Northern Ireland Courts and Tribunals Service	215,047	20%	31 March 2019	Depreciated replacement cost.
Core Department and other Agencies/NDPBs	46,212	4%	Various	Existing use value, market value and depreciated replacement cost.
<b>Departmental Group</b>	<b>1,085,120</b>	<b>100%</b>		

Land and buildings were externally valued by the Land and Property Services (LPS) 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. Indexation is applied between asset revaluations to update the asset register, taking into account the general market in land and property values and building costs.

Other property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

## 8. Intangible assets

	2022-23		
	Software and Licences	Assets Under Construction	Departmental Group
	£000	£000	£000
<b>Cost or valuation</b>			
At 1 April 2022	53,393	2,294	55,687
Additions	1,946	2,291	4,237
Disposals	(2,196)	-	(2,196)
Reclassification	2,971	(857)	2,114
Revaluation released to SoCNE	53	-	53
Revaluation	3,308	-	3,308
<b>At 31 March 2023</b>	<b>59,475</b>	<b>3,728</b>	<b>63,203</b>
<b>Amortisation</b>			
At 1 April 2022	35,379	-	35,379
Charged in year	4,352	-	4,352
Disposals	(1,934)	-	(1,934)
Reclassification	-	-	-
Revaluation released to SoCNE	34	-	34
Revaluation	1,736	-	1,736
<b>At 31 March 2023</b>	<b>39,567</b>	<b>-</b>	<b>39,567</b>
<b>Carrying amount at 31 March 2023</b>	<b>19,908</b>	<b>3,728</b>	<b>23,636</b>
<b>Carrying amount at 31 March 2022</b>	<b>18,014</b>	<b>2,294</b>	<b>20,308</b>
<b>Asset financing:</b>			
Owned	19,908	3,728	23,636
<b>Carrying amount at 31 March 2023</b>	<b>19,908</b>	<b>3,728</b>	<b>23,636</b>
<b>Of which:</b>			
Core Department and Agencies	15,135	3,496	18,631
NDPBs	4,773	232	5,005
<b>Carrying amount at 31 March 2023</b>	<b>19,908</b>	<b>3,728</b>	<b>23,636</b>

## 8. Intangible assets (continued)

	2021-22 (Restated)		
	Software and Licences £000	Assets Under Construction £000	Total £000
<b>Cost or valuation</b>			
At 1 April 2021	66,250	3,144	69,394
Additions	1,531	1,974	3,505
Disposals	(18,216)	(3)	(18,219)
Reclassification	2,776	(2,821)	(45)
Revaluation released to SoCNE	(87)	-	(87)
Revaluation	1,139	-	1,139
<b>At 31 March 2022</b>	<b>53,393</b>	<b>2,294</b>	<b>55,687</b>
<b>Amortisation</b>			
At 1 April 2021	48,375	-	48,375
Charged in year	4,811	-	4,811
Disposals	(18,211)	-	(18,211)
Reclassification	3	-	3
Revaluation released to SoCNE	(36)	-	(36)
Revaluation	437	-	437
<b>At 31 March 2022</b>	<b>35,379</b>	<b>-</b>	<b>35,379</b>
<b>Carrying amount at 31 March 2022</b>	<b>18,014</b>	<b>2,294</b>	<b>20,308</b>
<b>Carrying amount at 31 March 2021</b>	<b>17,875</b>	<b>3,144</b>	<b>21,019</b>
<b>Asset financing:</b>			
Owned	18,014	2,294	20,308
<b>Carrying amount at 31 March 2022</b>	<b>18,014</b>	<b>2,294</b>	<b>20,308</b>
<b>Of which:</b>			
Core Department and Agencies	14,530	2,023	16,550
NDPBs	3,484	271	3,758
<b>Carrying amount at 31 March 2022</b>	<b>18,014</b>	<b>2,294</b>	<b>20,308</b>

## 9. Financial instruments

### 9.1 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 5.

#### ***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.

## 9. 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 (NIPS) Housing Loans

In accordance with IFRS 9 balances in respect of 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%. 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.

## 9.2 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.

## 10. Assets classified as held for sale

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At 1 April	60	3,240	60	3,421
Disposals	-	(760)	-	(431)
Transfers and reclassifications	641	1,195	-	250
Revaluation released to SoCNE	-	-	-	-
Revaluation	-	-	-	-
<b>Carrying value at 31 March</b>	<b>701</b>	<b>3,675</b>	<b>60</b>	<b>3,240</b>

## 11. Inventories

	31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
	Core Department and Agencies	Core Department and Agencies	Core Department and Agencies
	£000	£000	£000
Raw materials and consumables	955	915	922
Fuel	274	329	273
<b>Total</b>	<b>1,229</b>	<b>1,244</b>	<b>1,195</b>

	31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
	Departmental Group	Departmental Group	Departmental Group
	£000	£000	£000
Raw materials and consumables	6,474	5,500	5,698
Fuel	1,737	1,975	1,671
<b>Total</b>	<b>8,211</b>	<b>7,475</b>	<b>7,369</b>

## 12. Cash and cash equivalents

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	(2,277)	1,966	1,689	6,485
Net change in cash and cash equivalent balances	(286)	(1,568)	(3,966)	(4,519)
<b>Balance at 31 March</b>	<b>(2,563)</b>	<b>398</b>	<b>(2,277)</b>	<b>1,966</b>
The following balances at 31 March are held at:				
Northern Ireland Banking Pool	(2,616)	321	(2,301)	1,919
Commercial banks and cash in hand	53	77	24	47
<b>Balance at 31 March</b>	<b>(2,563)</b>	<b>398</b>	<b>(2,277)</b>	<b>1,966</b>
Balances for Cash and cash equivalents are disclosed in the Statement of Financial Position as follows:				
Current assets	3,117	6,375	2,931	7,675
Current liabilities	(5,680)	(5,977)	(5,208)	(5,709)
<b>Total</b>	<b>(2,563)</b>	<b>398</b>	<b>(2,277)</b>	<b>1,966</b>

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## 13. Trade receivables, financial and other assets

		31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Core Department and Agencies	Core Department and Agencies	Core Department and Agencies
	Note	£000	£000	£000
<b>Amounts falling due within one year:</b>				
VAT recoverable		2,810	2,824	2,233
Trade receivables	13.1	11,918	10,049	9,753
Other receivables		3,586	2,944	1,892
Prepayments and accrued income		11,603	8,184	6,686
Amounts due from the Consolidated Fund in respect of supply		3,159	2,656	-
		<b>33,076</b>	<b>26,657</b>	<b>20,564</b>
<b>Amounts falling due after more than one year:</b>				
Other receivables		929	22	21
		<b>929</b>	<b>22</b>	<b>21</b>
<b>Total</b>		<b>34,005</b>	<b>26,679</b>	<b>20,585</b>

Included within 'Other receivables' is £917,463 (2021-22: £836,889) that will be due to the Consolidated Fund once the debts are collected.

		31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Departmental Group	Departmental Group	Departmental Group
	Note	£000	£000	£000
<b>Amounts falling due within one year:</b>				
VAT recoverable		9,183	12,276	9,988
Trade receivables	13.1	13,410	11,599	11,219
Other receivables		5,006	2,382	1,987
Prepayments and accrued income		15,416	19,209	12,646
Amounts due from the Consolidated Fund in respect of supply		3,159	2,656	-
		<b>46,174</b>	<b>48,122</b>	<b>35,840</b>
<b>Amounts falling due after more than one year:</b>				
Other receivables		60	116	70
Prepayments and accrued income		6,920	2,277	1,899
		<b>6,980</b>	<b>2,393</b>	<b>1,969</b>
<b>Total</b>		<b>53,154</b>	<b>50,515</b>	<b>37,809</b>

Included within 'Other receivables' is £Nil (2021-22: £Nil) that will be due to the Consolidated Fund once the debts are collected.

### 13. Trade receivables, financial and other assets (continued)

#### 13.1 Impairment

Trade receivables are stated net of the following impairment:

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
Trade receivables at 31 March - Gross		13,382	14,874	12,138	13,688
Less: Impairment:					
Impairment at 1 April		2,089	2,089	2,217	2,245
Increase in impairment during the year		443	443	601	601
Impairment written back during the year		(1,068)	(1,068)	(729)	(757)
Impairment at 31 March		1,464	1,464	2,089	2,089
Trade receivables at 31 March - Net	13	11,918	13,410	10,049	11,599

£1.390m of the total impairment at 31 March 2023 relates to LSANI (31 March 2022: £1.985m).

### 14. Trade payables, financial and other liabilities

	Note	31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Core Department and Agencies	Core Department and Agencies	Core Department and Agencies
		£000	£000	£000
<b>Amounts falling due within one year:</b>				
Bank overdraft	12	5,680	5,208	3,038
Trade payables		1,244	1,352	919
Other payables		1,593	2,273	1,508
Accruals and deferred income		59,316	47,005	47,412
Current part of lease liabilities		1,473	-	-
Current part of imputed finance lease element of 'on-balance sheet' (SoFP) PPP/PFI contracts		1,846	1,756	1,666
Amounts due the Consolidated Fund in respect of supply		-	-	840
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:				
- Received		596	372	818
- Receivable		917	837	680
Excess accruing resources		-	7	30
		<b>72,665</b>	<b>58,810</b>	<b>56,911</b>
<b>Amounts falling due after more than one year:</b>				
Leases		2,337	-	-
Imputed finance lease element of 'on-balance sheet' (SoFP) PPP/PFI contracts		5,470	7,316	9,072
		<b>7,807</b>	<b>7,316</b>	<b>9,072</b>
<b>Total</b>		<b>80,472</b>	<b>66,126</b>	<b>65,983</b>



## 14. Trade payables, financial and other liabilities (continued)

		31 March 2023	31 March 2022 (Restated)	1 April 2021 (Restated)
		Departmental Group	Departmental Group	Departmental Group
	Note	£000	£000	£000
<b>Amounts falling due within one year:</b>				
Bank overdraft	12	5,977	5,709	3,672
Other taxes and social security		17,972	18,401	18,721
Trade payables		12,379	7,167	14,585
Other payables		15,005	24,004	17,170
Accruals and deferred income		114,932	117,418	107,103
Current part of lease liabilities	18	2,780	-	-
Current part of imputed finance lease element of 'on-balance sheet' (SoFP) PPP/PFI contracts	19	1,846	1,756	1,666
Amounts due the Consolidated Fund in respect of supply		-	-	840
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:				
- Received		1,513	1,209	1,494
- Receivable		-	-	4
Excess accruing resources		-	7	30
		<b>172,404</b>	<b>175,671</b>	<b>165,285</b>
<b>Amounts falling due after more than one year:</b>				
Leases	18	7,812	-	-
Imputed finance lease element of 'on-balance sheet' (SoFP) PPP/PFI contracts	19	5,470	7,316	9,072
		<b>13,282</b>	<b>7,316</b>	<b>9,072</b>
<b>Total</b>		<b>185,686</b>	<b>182,987</b>	<b>174,357</b>

Included within 'Consolidated Fund Extra Receipts to be paid to the Consolidated Fund: Received' at a Departmental Group level is £555,527 (2021-22: £50,969) 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](http://www.justice-ni.gov.uk/courts-and-tribunals).

## 15. Provisions for liabilities and charges

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	319,038	1,240,481	316,519	1,052,997
Provided in the year	108,130	144,913	110,323	160,180
Provisions not required written back/re-measurement of opening balance	3,812	(6,180)	(10,643)	(22,536)
Provisions utilised in the year	(121,991)	(158,455)	(113,599)	(149,488)
Borrowing costs	1,430	13,307	1,131	7,911
Actuarial (gain)/loss	(37,720)	(300,050)	15,584	191,694
Provisions settled from Consolidated Fund	(244)	(244)	(277)	(277)
<b>Balance at 31 March</b>	<b>272,455</b>	<b>933,772</b>	<b>319,038</b>	<b>1,240,481</b>
<b>Analysis of expected timing of discounted flows</b>				
Not later than one year	96,500	162,647	95,693	151,287
Later than one year but not later than five years	106,925	331,504	115,704	335,995
Later than five years	69,030	439,621	107,641	753,199
<b>Balance at 31 March</b>	<b>272,455</b>	<b>933,772</b>	<b>319,038</b>	<b>1,240,481</b>

## Provisions by type

	2022-23					Departmental Group £000
	Injury On Duty and Early Departure Costs	Legal Aid	Litigation Claims	Compensation Payments	Other	
	£000	£000	£000	£000	£000	
Balance at 1 April	906,990	162,379	138,289	32,616	207	1,240,481
Provided in the year	17,595	93,060	24,348	8,989	921	144,913
Provisions not required written back/re-measurement of opening balance	(98)	3,909	(15,036)	5,190	(145)	(6,180)
Provisions utilised in the year	(35,779)	(101,296)	(5,945)	(15,414)	(21)	(158,455)
Borrowing costs	13,679	-	(372)	-	-	13,307
Actuarial (gain)	(299,815)	-	(235)	-	-	(300,050)
Provisions settled from Consolidated Fund	-	-	(244)	-	-	(244)
<b>Balance at 31 March</b>	<b>602,572</b>	<b>158,052</b>	<b>140,805</b>	<b>31,381</b>	<b>962</b>	<b>933,772</b>
<b>Of which:</b>						
Core Department and Agencies	68,799	158,052	13,411	31,381	812	272,455
NDPBs	533,773	-	127,394	-	150	661,317
<b>Balance at 31 March</b>	<b>602,572</b>	<b>158,052</b>	<b>140,805</b>	<b>31,381</b>	<b>962</b>	<b>933,772</b>
<b>Analysis of expected timing of discounted flows</b>						
Not later than one year	38,093	75,464	36,715	11,920	455	162,647
Later than one year but not later than five years	142,496	69,861	99,179	19,461	507	331,504
Later than five years	421,983	12,727	4,911	-	-	439,621
<b>Balance at 31 March</b>	<b>602,572</b>	<b>158,052</b>	<b>140,805</b>	<b>31,381</b>	<b>962</b>	<b>933,772</b>

## 15. Provisions for liabilities and charges (continued)

## Provisions by type (continued)

	2021-22 (Restated)					
	Injury On Duty and Early Departure Costs	Legal Aid	Litigation Claims	Compen- sation Payments	Other	Departmental Group
	£000	£000	£000	£000	£000	£000
Balance at 1 April	721,376	157,402	128,743	45,105	371	1,052,997
Provided in the year	19,929	97,340	35,844	7,035	32	160,180
Provisions not required written back/ re-measurement of opening balance	(12)	2,352	(19,236)	(5,475)	(165)	(22,536)
Provisions utilised in the year	(34,243)	(94,715)	(6,450)	(14,049)	(31)	(149,488)
Borrowing costs	8,915	-	(1,004)	-	-	7,911
Actuarial loss	191,025	-	669	-	-	191,694
Provisions settled from Consolidated Fund	-	-	(277)	-	-	(277)
<b>Balance at 31 March</b>	<b>906,990</b>	<b>162,379</b>	<b>138,289</b>	<b>32,616</b>	<b>207</b>	<b>1,240,481</b>
<b>Of which:</b>						
Core Department and Agencies	105,917	162,379	18,126	32,616	-	319,038
NDPBs	801,073	-	120,163	-	207	921,443
<b>Balance at 31 March</b>	<b>906,990</b>	<b>162,379</b>	<b>138,289</b>	<b>32,616</b>	<b>207</b>	<b>1,240,481</b>
<b>Analysis of expected timing of discounted flows</b>						
Not later than one year	34,242	72,218	32,261	12,359	207	151,287
Later than one year but not later than five years	133,778	77,607	104,353	20,257	-	335,995
Later than five years	738,970	12,554	1,675	-	-	753,199
<b>Balance at 31 March</b>	<b>906,990</b>	<b>162,379</b>	<b>138,289</b>	<b>32,616</b>	<b>207</b>	<b>1,240,481</b>

## 15.1 Injury on duty and Early departure costs - £602.572m (2021-22: £906.990m (Restated))

				2022-23
	PSNI	NIPS	Other	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	800,064	104,990	1,936	906,990
Provided in the year	15,380	2,018	197	17,595
Provisions not required written back	-	-	(98)	(98)
Provisions utilised in the year	(32,690)	(2,978)	(111)	(35,779)
Borrowing costs	12,270	1,616	(207)	13,679
Actuarial (gain)	(262,330)	(37,485)	-	(299,815)
<b>Balance at 31 March</b>	<b>532,694</b>	<b>68,161</b>	<b>1,717</b>	<b>602,572</b>

				2021-22 (Restated)
	PSNI	NIPS	Other	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	629,608	89,946	1,822	721,376
Provided in the year	17,520	2,190	219	19,929
Provisions not required written back	-	-	(12)	(12)
Provisions utilised in the year	(30,964)	(3,173)	(106)	(34,243)
Borrowing costs	7,790	1,112	13	8,915
Actuarial loss	176,110	14,915	-	191,025
<b>Balance at 31 March</b>	<b>800,064</b>	<b>104,990</b>	<b>1,936</b>	<b>906,990</b>

### 15.1 Injury on duty and Early departure costs - £602.572m (2021-22: £906.990m (Restated)) (continued)

	2022-23				2021-22 (Restated)			
	PSNI	NIPS	Other	Total	PSNI	NIPS	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Injury on duty awards	532,694	67,410	-	600,104	800,064	103,930	-	903,994
Early departure costs	-	751	1,717	2,468	-	1,060	1,936	2,996
<b>Balance at 31 March</b>	<b>532,694</b>	<b>68,161</b>	<b>1,717</b>	<b>602,572</b>	<b>800,064</b>	<b>104,990</b>	<b>1,936</b>	<b>906,990</b>

#### Injury on duty awards - £600.104m (2021-22: £903.994m (Restated))

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 allowance is payable to the former employee for life.

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. Liabilities for Injury awards are valued on an actuarial basis using the Projected Unit Credit Method.

In 2019-20 the assumptions for incidence of injury award were updated based on data provided for the years 2015 to 2020, which was aggregated with the PSNI injury award data for 2006 to 2015. The relevant assumptions underpinning the actuarial valuation of the liability remain unchanged as follows for both 2021-22 and 2022-23:

- rate of future injury award - 3.5%; and
- current service cost - 6.0%.

The demographic assumptions adopted for the assessment of the NIPS liabilities as at 31 March 2023 are those proposed for the 2020 valuation of the PCSPS (NI) since NIPS employees are a member of this pension scheme. The use of the proposed 2020 valuation assumptions is a change in approach to 2021-22 but is consistent with the approach of using the assumptions from the most recent valuation available.

The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvement are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. GAD expect that the projected of the long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

## 15.1 Injury on duty and Early departure costs - £602.572m (2021-22: £906.990m (Restated)) (continued)

### Injury on duty awards - £600.104m (2021-22: £903.994m (Restated)) (continued)

	2022-23		2021-22 (Restated)	
	PSNI	NIPS	PSNI	NIPS
	£000	£000	£000	£000
Liability in respect of:				
Active members	81,800	8,500	154,850	19,920
Pensions in payment (injury awards)	450,894	58,910	645,214	84,010
<b>Total</b>	<b>532,694</b>	<b>67,410</b>	<b>800,064</b>	<b>103,930</b>
<b>Key financial assumptions:</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Rate of discounting scheme liabilities	4.15%	4.15%	1.55%	1.55%
Rate of CPI inflation	2.40%	2.40%	2.90%	2.90%
Pension increase awarded	2.40%	2.40%	2.90%	2.90%
Long-term rate of increase in salaries	3.65%	3.65%	4.15%	4.15%
<b>Key demographic assumptions:</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Average expected future life at age 65 for:				
Male currently aged 65	21.9	21.1	22.1	21.7
Female currently aged 65	23.5	22.1	23.8	23.4
Male currently aged 45	23.5	22.9	23.8	23.4
Female currently aged 45	25.0	23.8	25.4	25.0
<b>Incidence of injury awards:</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Liability (proportion of liability of active members in respect of non-injury Pension Scheme benefits)	3.5%	3.5%	3.5%	3.5%
Current service cost (proportion of current service cost in respect of main Pension Scheme benefits)	6.0%	6.0%	6.0%	6.0%
<b>Actuarial losses/(gains):</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Experience losses arising on the pension liabilities	1,620	12,430	136,630	8,720
Changes in financial assumptions	(260,790)	(45,780)	39,480	6,090
Changes in demographic assumptions	(3,160)	(3,870)	-	-
	<b>(262,330)</b>	<b>(37,220)</b>	<b>176,110</b>	<b>14,810</b>
<b>Analysis of movement in scheme liability:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net deficit at 1 April	800,064	103,930	629,608	88,730
Current service cost	15,380	2,040	17,520	1,950
Past service cost	-	250	-	200
Net interest on the net defined benefit liability	12,270	1,600	7,790	1,100
Benefits paid (recurring element)	(31,450)	(2,940)	(29,794)	(2,660)
Benefits paid (lump sums)	(1,240)	(250)	(1,170)	(200)
Re-measurements of the net defined liability	(262,330)	(37,220)	176,110	14,810
<b>Net deficit at 31 March</b>	<b>532,694</b>	<b>67,410</b>	<b>800,064</b>	<b>103,930</b>

## 15.1 Injury on duty and Early departure costs - £602.572m (2021-22: £906.990m (Restated)) (continued)

### Injury on duty awards - £600.104m (2021-22: £903.994m (Restated)) (continued)

#### Sensitivity analysis - sensitivity to changes in assumptions\*

	31 March 2023	31 March 2023
	PSNI	NIPS
	£000	£000
+0.5% increase in rate of discounting liabilities	(33,000)	(4,700)
+0.5% increase in rate of increase in salaries	2,000	300
+0.5% increase in rate of increase in pensions/deferred revaluation	34,000	4,800
One further year than assumed for life expectancy	17,000	1,800

\* *Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability. Doubling the changes in the assumptions will produce approximately double the change in the liability. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.*

### Early departure costs - £2.468m (2021-22: £2.996m (restated))

#### (i) NIPS - £0.751m (2021-22: £1.060m)

This provision relates to pension costs associated with the early departure of staff and benefits payable in respect of loss of earning capacity (or loss of support in respect of a death). The pension costs are payable to NILGOSC over the lifetime of the retired staff member and his/her spouse (where applicable).

#### (ii) NICS and NILGOSC costs - £0.637m (2021-22: £0.926m)

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.

#### (iii) Northern Ireland Policing Board (NIPB) - Injury on Duty Award - £1.080m (2021-22: £1.010m (Restated))

This provision relates to outstanding cases where serving and ex-serving PSNI officers apply for medical retirement and/or injury on duty awards.

## 15.2 Legal Aid - £158.052m (2021-22: £162.379m)

### 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:

	2022-23	2021-22
	£000	£000
Civil legal services	99,864	108,479
Criminal legal aid	58,188	53,900
<b>Total</b>	<b>158,052</b>	<b>162,379</b>

	2022-23		2021-22	
	Volume of cases	Value of cases	Volume of cases	Value of cases
	Number	£000	Number	£000
Cases costed at an average cost	70,583	129,170	67,947	130,315
Cases costed where an average cost is not applicable	907	28,882	625	32,064
<b>Total</b>	<b>71,490</b>	<b>158,052</b>	<b>68,572</b>	<b>162,379</b>

### 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 closure functionality, auto-closure, which automatically closes cases when a set of predefined conditions have been satisfied including payment in full and manual closure to close manually when appropriate. 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 for the purposes of calculating provisions.

The Data Management Project Team established in 2020-21 has continued to significantly cleanse the system of migrated cases which have been inactive since LAMS was introduced, and in conjunction with their age profile. This work is now largely complete but a small cadre of cases remain under review. Furthermore, to strengthen the Agency's approach to managing inactivity, the Agency turned on the inactivity prompt functionality in LAMS in December 2022, which will ensure a systematic programme of inactivity reviews for all cases on LAMS moving forward. This prompt means that any future case that has been inactive for more than a pre-defined period of months is flagged for review and allows targeted action to be taken if necessary.

Consistent with treatment in prior years, an adjustment has been made to the volume reported from the system to reflect those remaining cases falling under the scope of this Project Team's work and those cases flagged by the new inactivity prompt which fall outside the lifecycles previously applied to the individual case nature. This adjustment is significantly less than prior years.



## 15.2 Legal Aid - £158.052m (2021-22: £162.379m) (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 which require segregation for review as the average cost methodology above is not applicable:

- **Exceptional Funding (previously known as Statutory Exceptional Grant Payment Scheme)** - the Agency's 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. Following a review of the estimated liability associated with Legacy Inquests Exceptional Funding, it is the Agency's assessment that due to the lack of evidence for the calculation of average costs and the significant uncertainty associated with cases yet to obtain a Legal Aid certificate, a more reliable estimate is represented by authorities granted less payments made to date. As it is a change of estimate, not accounting policy, a prior year adjustment has not been made.
- **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 two key assumptions applied in the calculation of the provisions which are detailed below:

- **average costs** - based on an analysis of historical payment values and volumes 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;
- **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. As a result of the significant progress made by the Agency to cleanse LAMS of inactive cases, the application of life cycles is now limited to the review of a small volume of cases.

## 15.2 Legal Aid - £158.052m (2021-22: £162.379m) (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 largely completed during 2022-23 with only a small cadre of cases still under review.

Furthermore, to strengthen the Agency’s approach to managing inactive cases, the Agency turned on the inactivity prompt functionality in LAMS in December 2022. This prompt means that any case that has been inactive for more than a pre-defined number of months is flagged for review and allows targeted action to be taken where necessary.

Given there remains an uncertainty regarding inactive cases albeit the volume of inactive cases is now greatly reduced, the following approach is still 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 which 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 - £158.052m (2021-22: £162.379m) (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 Litigation claims - £140.805m (2021-22: £138.289m (Restated))**

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Litigation claims	13,411	140,805	18,126	138,289
<b>Of which:</b>				
Core Department and Agencies	13,411	13,411	18,126	18,126
NDPBs	-	137,394	-	120,163
	<b>13,411</b>	<b>140,805</b>	18,126	138,289

The figures for litigation claims include the following:

**(i) - 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 extend as far back as 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 but the Supreme Court judgment has not yet been issued.

**Core Department and Agencies**

The 2022-23 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020.

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

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

**PSNI**

Provision has been made for the ongoing holiday pay legal case within Injury claims. A number of cases have been lodged against the PSNI in respect of contractual overtime forming part of the calculation for holiday pay under article 7 of the Working Time Directive. This follows the decision in the case of Bear Scotland Limited and Others. A judgement was provided by the Employment Tribunal on this matter in November 2018 that officers and staff were entitled to an element of overtime to be included in their holiday pay where this was part of their 'normal pay'. On 17 June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. The appeal before the Supreme Court was heard on 14 and 15 December 2022 and a decision is awaited.

**(ii) - Other legal claims**

The litigation provision relates to claims against the Department, Agencies and its NDPBs 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.

## 15.4 Compensation payments - £31.381m (2021-22: £32.616m)

### 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:

	2022-23		2021-22	
	Volume of cases	Value of cases	Volume of cases	Value of cases
	Number	£000	Number	£000
Cases costed at an average cost	4,266	10,348	3,707	8,019
Cases costed where an average cost is not applicable	72	21,033	87	24,597
<b>Total</b>	<b>4,338</b>	<b>31,381</b>	<b>3,794</b>	<b>32,616</b>

### 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 - £31.381m (2021-22: £32.616m) (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. The key assumptions applied in the calculation of the provisions as detailed below:

- **personal injury discount rate** - a discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the *Damages Act 1996* as amended by the *Damages (Return on Investment) Act (Northern Ireland) 2022*. The rate impacts the quantum associated with those Personal Injury related compensation claims (*Tariff and Criminal Injury 1988 Order*) 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 actuarial tables developed by the Government Actuary’s Department (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 - £31.381m (2021-22: £32.616m) (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 Other provisions - £0.962m (2021-22: £0.207m (Restated))

Provision has been made for dilapidation costs or 'exit costs' which are payable by the Departmental Group to the landlord at the end of building leases. These costs are attributable to restoring the buildings to the original pre-lease state. Under IFRS 16, these costs have also been capitalised as part of the cost of the right-of-use assets.

The remaining provision relates to the removal of security items and decommissioning of sites prior to sale and other miscellaneous provisions.

## 16. Pension liabilities

	Note	2022-23		2021-22 (Restated)	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
		£000	£000	£000	£000
<b>Unfunded Schemes:</b>					
Liabilities	16.5	969	7,707,072	1,488	12,086,202
<b>Funded Schemes:</b>					
Liabilities		-	116,015	-	159,542
Assets		-	(115,851)	-	(133,217)
Net liabilities	16.6	-	164	-	26,325
<b>Total liabilities</b>		<b>969</b>	<b>7,707,236</b>	<b>1,488</b>	<b>12,112,527</b>

### Unfunded Schemes

#### **Police Pension Schemes**

PSNI administers three pension schemes for police officers. The Police Pension Scheme 1988 (now referred to as the 'closed' scheme), the new Police Pension Scheme 2006 (or 'new' scheme), and from 1 April 2015 the 2015 Police Pension Scheme (or 'CARE' scheme).

The regulations under which the schemes operate are as follows:

- Closed Scheme operates under the *Pensions (Northern Ireland) Order 1995* and the *RUC Pensions Regulations 1988* with subsequent amendments. The regulations are modified for members of the PSNI Full Time Reserve in accordance with the *RUC Reserve (Full Time) Pension Regulations 1994* and subsequent amendments.
- New Police Pension Scheme operates under the *Police Pensions (Northern Ireland) Regulations 2007* which apply from 6 April 2006. Entry to the New Scheme was closed on the 31 March 2015.
- 2015 Police Pension Scheme is a Career Average Revalued Earnings (CARE) Scheme governed by the *Police Pensions Regulations (NI) 2015*. This was the only Scheme open to new entrants during the 2022-23 financial year.

All Schemes are unfunded defined benefit schemes, to which police officers and the PSNI, as employer, contribute. The rates of contributions and benefits are set by the Department of Justice (DoJ) as directed by Central Government and the Department of Finance (DoF).

DoJ is the Regulatory Authority and is responsible for setting the benefits to be provided by the Schemes, amending regulations as necessary and making the policy decisions in relation to the operation of the Schemes. The NI Policing Board (NIPB) is the PSNI Pension Schemes Manager. As Scheme Manager, NIPB is responsible for ensuring the accurate management of benefits and provision of information to members in line with the Schemes rules. The NIPB has delegated these functions to PSNI to carry out on their behalf. PSNI Financial Services carries out the day to day administration of the Schemes, including the day to day management of payments and receipts, and correspondence with Scheme members.

Full details of the Police Pension Schemes are contained in the PSNI Police Pension Accounts 2022-23 available on the [Police Service of Northern Ireland website](#).



## 16. Pension liabilities (continued)

### Unfunded Schemes (continued)

#### ***Core Department Broadly by Analogy (BBA) Scheme***

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.

### Funded Schemes

Probation Board NI (PBNI) makes employer contributions to NILGOSC. The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in the *Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014*.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in *LGPS Regulations (Northern Ireland) 2014* and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Northern Ireland Local Government Officers' Superannuation Committee is responsible for the governance of the Fund.

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

### Covid-19

As with the accounts last year, the 2022-23 financial statements are being produced when the UK continues to deal with the impacts of the Covid-19 pandemic. The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of the Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvement are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. GAD expects that the long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

## 16.1 Pensions by type

	2022-23						
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Total	PBNI NILGOSC	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Funded	Total
	£000	£000	£000	£000	£000	£000	£000
Liabilities	6,824,385	314,531	567,187	969	7,707,072	116,015	7,823,087
Assets	-	-	-	-	-	(115,851)	(115,851)
<b>Net liabilities</b>	<b>6,824,385</b>	<b>314,531</b>	<b>567,187</b>	<b>969</b>	<b>7,707,072</b>	<b>164</b>	<b>7,707,236</b>
<b>Of which:</b>							
Core Department and Agencies	-	-	-	969	969	-	969
NDPBs	6,824,385	314,531	567,187	-	7,706,103	164	7,706,267
<b>Net liabilities</b>	<b>6,824,385</b>	<b>314,531</b>	<b>567,187</b>	<b>969</b>	<b>7,707,072</b>	<b>164</b>	<b>7,707,236</b>
	2021-22 (Restated)						
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Total	PBNI NILGOSC	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Funded	Total
	£000	£000	£000	£000	£000	£000	£000
Liabilities	10,115,695	616,131	1,352,888	1,488	12,086,202	159,542	12,245,744
Assets	-	-	-	-	-	(133,217)	(133,217)
<b>Net liabilities</b>	<b>10,115,695</b>	<b>616,131</b>	<b>1,352,888</b>	<b>1,488</b>	<b>12,086,202</b>	<b>26,325</b>	<b>12,112,527</b>
<b>Of which:</b>							
Core Department and Agencies	-	-	-	1,488	1,488	-	1,488
NDPBs	10,115,695	616,131	1,352,888	-	12,084,714	26,325	12,111,039
<b>Net liabilities</b>	<b>10,115,695</b>	<b>616,131</b>	<b>1,352,888</b>	<b>1,488</b>	<b>12,086,202</b>	<b>26,325</b>	<b>12,112,527</b>

## 16.2 Scheme membership

	2022-23						
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Total	PBNI NILGOSC	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Funded	Total
	Number	Number	Number	Number	Number	Number	Number
Active members	-	-	6,576	-	6,576	410	6,986
Deferred members	1,019	232	288	-	1,539	238	1,777
Pensioners in payment members	14,266	39	396	2	14,703	332	15,035
Pensioners in payment dependents	2,165	3	11	-	2,179	-	2,179
<b>Total</b>	<b>17,450</b>	<b>274</b>	<b>7,271</b>	<b>2</b>	<b>24,997</b>	<b>980</b>	<b>25,977</b>

	2021-22 (Restated)						
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Total	PBNI NILGOSC	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Funded	Total
	Number	Number	Number	Number	Number	Number	Number
Active members	233	29	6,597	-	6,859	345	7,204
Deferred members	1,088	208	192	-	1,488	195	1,683
Pensioners in payment members	14,341	24	178	2	14,545	280	14,825
Pensioners in payment dependents	2,131	3	5	-	2,139	-	2,139
<b>Total</b>	<b>17,793</b>	<b>264</b>	<b>6,972</b>	<b>2</b>	<b>25,031</b>	<b>820</b>	<b>25,851</b>

	1 April 2021 (Restated)						
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Total	PBNI NILGOSC	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Funded	Total
	Number	Number	Number	Number	Number	Number	Number
Active members	554	38	6,226	-	6,818	345	7,163
Deferred members	1,124	206	154	-	1,484	195	1,679
Pensioners in payment members	14,159	18	118	2	14,297	280	14,577
Pensioners in payment dependents	2,059	3	3	-	2,065	-	2,065
<b>Total</b>	<b>17,896</b>	<b>265</b>	<b>6,501</b>	<b>2</b>	<b>24,664</b>	<b>820</b>	<b>25,484</b>

## 16.3 Key assumptions

	2022-23				
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	PBNI NILGOSC
	Unfunded	Unfunded	Unfunded	Unfunded	Funded
Financial assumptions:	%	%	%	%	%
Salaries increase rate	3.65	3.65	3.65	-	4.20
Pensions increase rate	2.40	2.40	2.40	2.40	2.70
Inflation rate (CPI)	2.40	2.40	2.40	2.40	2.70
Discount rate	4.15	4.15	4.15	4.15	4.70
CARE revaluation rate	-	-	3.65	-	-
Mortality:	Years	Years	Years	Years	Years
Male pensioners currently aged 65	21.9	21.9	21.9	24.2	22.2
Female pensioners currently aged 65	23.5	23.5	23.5	26.4	25.0
Male pensioners currently aged 45	23.5	23.5	23.5	26.4	23.2
Female pensioners currently aged 45	25.0	25.0	25.0	29.0	26.0

	2021-22 (Restated)				
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	PBNI NILGOSC
	Unfunded	Unfunded	Unfunded	Unfunded	Funded
Financial assumptions:	%	%	%	%	%
Salaries increase rate	4.15	4.15	4.15	-	4.50
Pensions increase rate	2.90	2.90	2.90	2.90	3.00
Inflation rate (CPI)	2.90	2.90	2.90	2.90	3.00
Discount rate	1.55	1.55	1.55	1.55	2.70
CARE revaluation rate	-	-	4.15	-	-
Mortality:	Years	Years	Years	Years	Years
Male pensioners currently aged 65	22.1	22.1	22.1	24.2	21.8
Female pensioners currently aged 65	23.8	23.8	23.8	26.4	25.0
Male pensioners currently aged 45	23.8	23.8	23.8	26.4	23.2
Female pensioners currently aged 45	25.4	25.4	25.4	29.0	26.4

	1 April 2021 (Restated)				
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	PBNI NILGOSC
	Unfunded	Unfunded	Unfunded	Unfunded	Funded
Financial assumptions:	%	%	%	%	%
Salaries increase rate	3.72	3.72	3.72	-	4.20
Pensions increase rate	2.22	2.22	2.22	2.22	2.70
Inflation rate (CPI)	2.22	2.22	2.22	2.22	2.70
Discount rate	1.25	1.25	1.25	1.25	2.10
CARE revaluation rate	-	-	3.47	-	-
Mortality:	Years	Years	Years	Years	Years
Male pensioners currently aged 65	22.0	22.0	22.0	24.2	21.9
Female pensioners currently aged 65	23.7	23.7	23.7	26.4	25.1
Male pensioners currently aged 45	23.7	23.7	23.7	26.4	23.3
Female pensioners currently aged 45	25.3	25.3	25.3	29.0	26.5

## 16.4 Sensitivity analysis

The sensitivity analysis is intended to provide an indication of the impact on the value of the Scheme's liabilities from the risks highlighted below. Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability. Doubling the changes in assumptions will produce approximately double the change in the liability. The sensitivities show the change in assumptions in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the impacts may offset to some extent.

<b>PSNI - Closed Scheme - Unfunded</b>	<b>31 March 2023</b>	<b>31 March 2022 (Restated)</b>	<b>1 April 2021 (Restated)</b>
	<b>Impact on liability</b>	<b>Impact on liability</b>	<b>Impact on liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
+0.5% increase in rate of discounting scheme liabilities	(469,000)	(911,000)	(948,000)
+0.5% increase in rate of increase in salaries	39,000	55,000	58,000
+0.5% increase in rate of increase in pensions/deferred revaluation	472,000	837,000	749,000
One further year than assumed for life expectancy	184,000	407,000	352,000

<b>PSNI - New Scheme - Unfunded</b>	<b>31 March 2023</b>	<b>31 March 2022 (Restated)</b>	<b>1 April 2021 (Restated)</b>
	<b>Impact on liability</b>	<b>Impact on liability</b>	<b>Impact on liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
+0.5% increase in rate of discounting scheme liabilities	(42,000)	(100,000)	(89,000)
+0.5% increase in rate of increase in salaries	23,000	42,000	36,000
+0.5% increase in rate of increase in pensions/deferred revaluation	25,000	64,000	52,000
One further year than assumed for life expectancy	6,000	21,000	17,000

<b>PSNI - CARE Scheme - Unfunded</b>	<b>31 March 2023</b>	<b>31 March 2022 (Restated)</b>	<b>1 April 2021 (Restated)</b>
	<b>Impact on liability</b>	<b>Impact on liability</b>	<b>Impact on liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
+0.5% increase in rate of discounting scheme liabilities	(77,000)	(225,000)	(184,000)
+0.5% increase in rate of increase in salaries	-	-	-
+0.5% increase in rate of increase in pensions/deferred revaluation	91,000	253,000	192,000
One further year than assumed for life expectancy	11,000	48,000	35,000

<b>Core Department - Broadly By Analogy - Unfunded</b>	<b>31 March 2023</b>	<b>31 March 2022 (Restated)</b>	<b>1 April 2021 (Restated)</b>
	<b>Impact on liability</b>	<b>Impact on liability</b>	<b>Impact on liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
+0.1% increase in rate of discounting scheme liabilities	(57)	(24)	(24)
+0.1% increase in rate of inflation (CPI)	57	23	22
One further year than assumed for life expectancy	29	45	44

<b>PBNI - NILGOSC - Funded</b>	<b>31 March 2023</b>	<b>31 March 2022 (Restated)</b>	<b>1 April 2021 (Restated)</b>
	<b>Impact on liability</b>	<b>Impact on liability</b>	<b>Impact on liability</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
+0.1% increase in rate of discounting scheme liabilities	(1,969)	(2,868)	(5,882)
+0.1% increase in rate of increase in salaries	232	637	6,076
+0.1% increase in rate of increase in pensions/deferred revaluation	1,738	2,390	6,277
One further year than assumed for life expectancy	3,128	6,577	6,325

## 16.5 Reconciliation of net pension liabilities - Unfunded Schemes

	2022-23				
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	£000	£000	£000	£000	£000
<b>Liabilities</b>					
Balance at 1 April	10,115,695	616,131	1,352,888	1,488	12,086,202
Current service cost	10	80	256,199	-	256,289
Past service cost	148,530	22,110	(170,640)	-	-
Pension financing cost	155,670	9,720	21,620	23	187,033
Total recognised in SoCNE	304,210	31,910	107,179	23	443,322
Transfers in	-	-	1,550	-	1,550
Pension payments	(294,550)	(610)	(2,690)	(49)	(297,899)
Pension payments to and on account of leavers	-	-	(230)	-	(230)
Total cash flows	(294,550)	(610)	(1,370)	(49)	(296,579)
Experience loss	751,750	55,220	145,200	-	952,170
Changes in financial and demographic assumptions	(4,052,720)	(388,120)	(1,036,710)	(493)	(5,478,043)
Total actuarial (gain)	(3,300,970)	(332,900)	(891,510)	(493)	(4,525,873)
<b>Liabilities at 31 March</b>	<b>6,824,385</b>	<b>314,531</b>	<b>567,187</b>	<b>969</b>	<b>7,707,072</b>
	2021-22 (Restated)				
	PSNI Closed Scheme	PSNI New Scheme	PSNI CARE Scheme	Core Broadly By Analogy	Departmental Group
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
	£000	£000	£000	£000	£000
<b>Liabilities</b>					
Balance at 1 April	9,871,875	509,301	1,049,398	1,453	11,432,027
Current service cost	18,840	1,190	273,560	-	293,590
Past service cost	-	-	-	-	-
Pension financing cost	121,780	6,370	14,830	18	142,998
Total recognised in SoCNE	140,620	7,560	288,390	18	436,588
Transfers in	-	-	1,980	-	1,980
Pension payments	(279,060)	(410)	(980)	(48)	(280,498)
Pension payments to and on account of leavers	(290)	-	(130)	-	(420)
Total cash flows	(279,350)	(410)	870	(48)	(278,938)
Experience (gain)/loss	(179,130)	55,370	(134,840)	-	(258,600)
Changes in financial and demographic assumptions	561,680	44,310	149,070	65	755,125
Total actuarial loss	382,550	99,680	14,230	65	496,525
<b>Liabilities at 31 March</b>	<b>10,115,695</b>	<b>616,131</b>	<b>1,352,888</b>	<b>1,488</b>	<b>12,086,202</b>

## 16.6 Reconciliation of net pension liabilities/(assets) - Funded Schemes

	2022-23	2021-22 (Restated)
	PBNI NILGOSC	PBNI NILGOSC
	Funded	Funded
	£000	£000
<b>Liabilities</b>		
Balance at 1 April	159,542	164,251
Current service cost	5,619	6,344
Past service cost	-	2
Pension financing cost	4,263	3,423
Administration expense	61	62
Total recognised in SoCNE	9,943	9,831
Pension payments	(4,157)	(3,403)
Contribution by members	785	809
Total cash flows	(3,372)	(2,594)
Total actuarial (gain)	(50,098)	(11,946)
<b>Liabilities at 31 March</b>	<b>116,015</b>	<b>159,542</b>
<b>Assets</b>		
Balance at 1 April	133,217	123,708
Interest income on assets	3,584	2,597
Total recognised in SoCNE	3,584	2,597
Contributions by members	785	809
Contributions by employer	2,384	2,441
Benefits paid	(4,157)	(3,403)
Total cash flows	(988)	(153)
Total actuarial (gain/loss)	(17,644)	7,065
<b>Assets at 31 March</b>	<b>118,169</b>	<b>133,217</b>
<b>Net (assets)/liabilities at 31 March</b>	<b>(2,154)</b>	<b>26,325</b>
Unrecognised asset due to restriction of surpluses	2,318	-
<b>Net liabilities at 31 March</b>	<b>164</b>	<b>26,325</b>
<b>Fair value of assets</b>		
Equities	47,268	57,150
Government bonds	24,343	32,904
Corporate bonds	3,545	2,931
Multi-asset credit	15,716	17,451
Property	13,235	13,322
Cash	7,681	5,329
Other	6,381	4,130
<b>Total fair value of assets</b>	<b>118,169</b>	<b>133,217</b>

## 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*

Following a decision by the Divisional Court in 2013 that ruled that the longstanding procedure for the enforcement of unpaid fines in Northern Ireland was unlawful, NICTS introduced a settlement scheme. A number of claims were refused compensation having been deemed out of time as, pursuant to section 7(5) of the *Human Rights Act 1998*, proceedings alleging a breach of a Convention right must be brought within one year, beginning with the date on which the act complained of took place. NICTS is currently dealing with approximately 170 High Court writs challenging the NICTS decision to refuse compensation.

NICTS plans to contest three cases, selected to raise a broad spread of issues for consideration by the court and are likely to offer the greatest assistance to the resolution of other cases. The cases have been listed for hearing June 2023 with any subsequent judgment most likely to be delivered in Autumn 2023.

### *(ii) PSNI*

The PSNI has the following contingent liabilities:

#### **Hearing loss cases**

The PSNI is named Defendant in a number of claims from current and ex-police officers and police staff for occupational hearing loss. Claims up to May 2023 are reflected in Provisions (Note 15). Claims have also been received from members/ex-members of NIPS who received firearms training from the RUC/PSNI. However, the number of claims likely to be received in the future is uncertain and cannot be reliably estimated. Each case will be considered on its own merits and any settlement based on the severity of hearing loss.

#### **Holiday pay**

Provision has been made for the ongoing holiday pay legal case. A number of cases have been lodged against the PSNI in respect of contractual overtime forming part of the calculation for holiday pay under article 7 of the Working Time Directive. This follows the decision in the case of Bear Scotland Limited and Others. A judgement was provided by the Employment Tribunal on this matter in November 2018 that officers and staff were entitled to an element of overtime to be included in their holiday pay where this was part of their 'normal pay'. On 17 June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. There are still a number of areas that are required to be clarified to set out the level and series of any payments that officers and staff may be owed. A liability has been provided for in the 2022-23 accounts; however, this estimate is based on one potential remedy and will need to be revisited in the light of further direction from the courts following a decision from the appeal before the Supreme Court in December 2022.

#### **Legacy litigation cases**

The PSNI is named as defendant in over 1,100 litigation claims relating to legacy incidents. In this context legacy incidents are defined as those associated with sectarian conflict in Northern Ireland occurring between 1969 until approximately 2010. Several legacy cases are at a sufficiently advanced stage where negotiations for early settlement have commenced with the plaintiffs, or where a reasonable estimate of liability can be made based on previous settlements. For these cases an amount has been included in Provisions (Note 15). However, for the vast majority of cases litigation is still at a very early stage and no reliable estimate of liability or value can be made. PSNI Legal Services have made initial estimates that average compensation and legal fees combined could be in the region of £5m per year for the next 10 years.



**17. Contingent liabilities (continued)*****(iii) Public sector pensions - injury to feelings claims******PSNI***

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.

***NICS***

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case and may have significant implications for the NICS and wider public sector. However, the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

***(iv) Discount rate for compensation claimants***

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

Further details on impact on the level of provisions for Compensation payments are disclosed in Note 15.4.

***(v) 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 - Right of use assets

IFRS 16 Leases has been implemented from 1 April 2022 which introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. This replaces the previous standard, IAS 17. Further details are disclosed in Note 1.11 and Note 7.

### 18.1 Quantitative disclosures around right-of-use assets

		2022-23				
		Land	Buildings	Plant and Machinery	Information Technology	Departmental Group
Note		£000	£000	£000	£000	£000
	Balance at 1 April - IFRS 16 adjustment	66	8,309	407	1,233	10,015
	Additions	-	4,835	-	226	5,061
	Depreciation charged	(5)	(2,464)	(69)	(134)	(2,672)
	<b>Balance at 31 March</b>	<b>61</b>	<b>10,680</b>	<b>338</b>	<b>1,325</b>	<b>12,404</b>
	<b>Of which:</b>					
	Core Department and Agencies	-	4,211	139	-	4,350
	NDPBs	61	6,469	199	1,325	8,054
	<b>Balance at 31 March</b>	<b>61</b>	<b>10,680</b>	<b>338</b>	<b>1,325</b>	<b>12,404</b>

### 18.2 Quantitative disclosures around lease liabilities - maturity analysis

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

		2022-23		2021-22	
		Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
Note		£000	£000	£000	£000
	<i>Land and buildings:</i>				
	Not later than one year	1,494	2,659	-	-
	Later than one year but not later than five years	2,314	4,367	-	-
	Later than five years	-	2,605	-	-
		<b>3,808</b>	<b>9,631</b>	-	-
	Less interest element	(125)	(689)	-	-
	<b>Present value of obligations</b>	<b>3,683</b>	<b>8,942</b>	-	-
	<i>Other:</i>				
	Not later than one year	32	233	-	-
	Later than one year but not later than five years	97	560	-	-
	Later than five years	-	1,066	-	-
		<b>129</b>	<b>1,859</b>	-	-
	Less interest element	(2)	(209)	-	-
	<b>Present value of obligations</b>	<b>127</b>	<b>1,650</b>	-	-
	<b>Total present value of obligations</b>	<b>3,810</b>	<b>10,592</b>	-	-
	Current portion	1,473	2,780	-	-
	Non-current portion	2,337	7,812	-	-
		<b>3,810</b>	<b>10,592</b>	-	-

**18. Leases - Right of use assets (continued)****18.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure**

	2022-23		2021-22	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Sub-leasing income	(49)	(186)	-	-
Expense related to short-term leases	371	886	-	-
Expense related to low value leases (excluding short-term leases)	38	876	-	-

**18.4 Quantitative disclosures around cash outflows for leases**

	2022-23		2021-22	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Total cash outflow for leases	(865)	(2,355)	-	-

## 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 £3.353m (2021-22: £3.127m). Total future obligations under 'on-balance sheet' arrangements are given in the table below for each of the following periods:

	2022-23		2021-22	
	Core Department and Agencies £000	Departmental Group £000	Core Department and Agencies £000	Departmental Group £000
Minimum lease payments:				
Not later than one year	2,182	2,182	2,182	2,182
Later than one year but not later than five years	5,937	5,937	8,119	8,119
Later than five years	-	-	-	-
	<b>8,119</b>	<b>8,119</b>	<b>10,301</b>	<b>10,301</b>
Less interest element	(803)	(803)	(1,229)	(1,229)
<b>Present value of obligations</b>	<b>7,316</b>	<b>7,316</b>	<b>9,072</b>	<b>9,072</b>
Service elements due in future periods:				
Not later than one year	1,723	1,723	1,496	1,496
Later than one year but not later than five years	5,161	5,161	5,914	5,914
Later than five years	-	-	-	-
<b>Total service elements due in future periods</b>	<b>6,884</b>	<b>6,884</b>	<b>7,410</b>	<b>7,410</b>
<b>Total</b>	<b>14,200</b>	<b>14,200</b>	<b>16,482</b>	<b>16,482</b>

## 20. Capital and other commitments

### 20.1 Capital commitments

	2022-23		2021-22 (Restated)	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Contracted capital commitments at 31 March not otherwise included in these financial statements:				
Property, plant and equipment	6,075	56,808	1,834	252,310
Intangible assets	697	697	306	326
<b>Total</b>	<b>6,772</b>	<b>57,505</b>	<b>2,140</b>	<b>252,636</b>

### 20.2 Other financial commitments

	2022-23		2021-22	
	Core Department and Agencies	Departmental Group	Core Department and Agencies	Departmental Group
	£000	£000	£000	£000
Not later than one year	2,644	2,644	3,285	3,285
Later than one year but not later than five years	2,255	2,255	1,963	1,963
Later than five years	-	-	-	-
<b>Total</b>	<b>4,899</b>	<b>4,899</b>	<b>5,248</b>	<b>5,248</b>

Of the total commitments noted above, £1.435m (2021-22: £1.830m) relates to the Causeway IT contract. Causeway is a strategically important IT system which supports the operation of the criminal justice system in Northern Ireland by sharing information electronically between the five main criminal justice organisations. The current 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 £3.464m (2021-22: £3.418m) 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. See Annex 2 for links to NDPB websites.

## 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. These monies noted 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.

Departmental Group	31 March 2022	Gross	Gross	31 March 2023
	(Restated)	Inflows	Outflows	
	£000	£000	£000	£000
Monetary assets such as bank balances and monies on deposit	113,721	156,781	(151,595)	118,907
Listed securities	239,531	57,592	(66,646)	230,477
<b>Total</b>	<b>353,252</b>	<b>214,373</b>	<b>(218,241)</b>	<b>349,384</b>

### 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 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.

### 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.

### PSNI

PSNI hold a number of bank accounts and sealed packages which contain evidence or proceeds of criminal activities. As these monies are not assets of the PSNI they are not included in these financial statements. Following the outcome of investigations or court proceedings, the money is returned or paid to appropriate authorities.

## 22. Third-party assets (continued)

### 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.

### Assets held

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

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

	2022-23		2021-22	
	Core Department and Agencies Number	Departmental Group Number	Core Department and Agencies Number	Departmental Group Number
	Property assets	832	832	1,036



### 23. Entities within the Departmental boundary

The entities within the boundary during 2022-23 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.

#### NDPBs and Pension Schemes:

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

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

#### Other entities included within Core Department, Executive Agencies and NDPBs:

- 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 5 July 2023.




## ANNEX 1 - 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
EV	Electric Vehicle
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
HSENI	Health and Safety Executive for Northern Ireland
IAO	Information Asset Owner
IAS	International Accounting Standards
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
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
NICSHR	Northern Ireland Civil Service Human Resources
NICTS	Northern Ireland Courts and Tribunals Service
NIJPS	Northern Ireland Judicial Pension Scheme
NILGOSC	Northern Ireland Local Government Officers' Superannuation Committee
NIPB	Northern Ireland Policing Board
NIPF	Northern Ireland Police Fund
NIPS	Northern Ireland Prison Service
NISRA	Northern Ireland Statistics and Research Agency



**ANNEX 1 - ACRONYMS (continued)**

<b>Acronym</b>	<b>Details</b>
ONS	Office for National Statistics
OPONI	Office of the Police Ombudsman for Northern
PAC	Public Accounts Committee
PBNI	Probation Board for Northern Ireland
PCSPS(NI)	Principal Civil Service Pension Scheme (Northern Ireland)
PES	Public Expenditure System
PFI	Public Finance Initiatives
PPC	Prisoners' Private Cash
PPP	Public Private Partnership
PRRT	Police Rehabilitation and Retraining Trust
PSNI	Police Service of Northern Ireland
PV	Photovoltaics
RICS	Royal Institution of Chartered Surveyors
RoFP	Review of Financial Process
RPI	Retail Price Index
SOAS	Statement of Outturn against Assembly Supply
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SCS	Senior Civil Servant
SOLA	Sexual Offences Legal Advisers
VAT	Value Added Tax
VFM	Value for Money
YJA	Youth Justice Agency




**ANNEX 2 - MAIN FUNCTIONS AND ACTIVITIES OF AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES**

Agency	Main functions and activities
	<p>The Agency is responsible for the provision of impartial scientific advice and support, to enhance the criminal justice system. This includes scientific advice for the Public Prosecution Service and the legal profession, and objective expert testimony to the Courts. Services are available to those representing both defence and prosecution interests in criminal cases, and FSNI also carry out work for private clients.</p> <p><a href="#">Forensic Science Northern Ireland Website</a></p>
	<p>The Agency supports the justice system to ensure access to justice for everyone by administering publicly funded legal services impartially, effectively and efficiently within the governing legislation and policy framework set by the Minister of Justice. LSA ensure key principles of a democratic society in all the Agency does; that all are equal before the law and have the right to a fair trial.</p> <p>The Agency also works closely with DoJ in the achievement of the wider strategic objectives. It works in partnership with its users and delivery partners to enhance its customer service delivery ensuring that legal services are available to those who meet the statutory eligibility tests, which support those in greatest need.</p> <p><a href="#">Legal Services Agency Northern Ireland website</a></p>
	<p>The main roles of NICTS include:</p> <ul style="list-style-type: none"> <li>• supporting: an independent Judiciary; Northern Ireland’s courts; the majority of Northern Ireland’s tribunals; the Coroners Service of Northern Ireland; and the delivery of legacy inquests through the Legacy Inquest Unit;</li> <li>• enforcing civil court judgments through the Enforcement of Judgments Office;</li> <li>• collecting and enforcing outstanding financial penalties through the Fine Collection and Enforcement Service; and</li> <li>• managing funds held in court on behalf of minors and patients.</li> </ul> <p>NICTS also provides administrative support to the Parole Commissioners for Northern Ireland; the Planning Appeals Commission and Water Appeals Commission; and the Historical Institutional Abuse Redress Board.</p> <p><a href="#">Northern Ireland Courts and Tribunals Service website</a></p>



**ANNEX 2 - MAIN FUNCTIONS AND ACTIVITIES OF AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES (CONTINUED)**

Agency	Main functions and activities
<p style="text-align: center;">NORTHERN IRELAND                        PRISON SERVICE</p>	<p>The overall aim of the Northern Ireland Prison Service is to improve public safety by reducing the risk of re-offending through the management and rehabilitation of offenders in custody. Its main statutory duties are set out in the <a href="#">Prison Act (Northern Ireland) 1953</a>.</p> <p>The Prison Service, through its staff, serves the community by keeping in secure, safe and humane custody those committed by the courts and, by working with prisoners and with other organisations, seeks to reduce the risk of re-offending and in so doing aims to protect the public and to contribute to peace and stability in Northern Ireland.</p> <p><a href="#">Northern Ireland Prison Service website</a></p>
<p style="text-align: center;">                       Youth Justice                      Agency</p>	<p>The Youth Justice Agency aims to make communities safer by helping children to stop offending. The Agency works with children aged 10-17 years who have offended or are at serious risk of offending.</p> <p>The Agency provides a range of services, often delivered in partnership with others, to help children to address their offending behaviour, divert them from crime, assist their integration into the community and to meet the needs of victims of crime. These front-line services delivered by the Youth Justice Services and Custodial Services directorates.</p> <p><a href="#">Youth Justice Agency website</a></p>

**ANNEX 2 - MAIN FUNCTIONS AND ACTIVITIES OF AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES (CONTINUED)**




Non-Departmental Public Body	Main functions and activities
 <p>Criminal Justice Inspection Northern Ireland <i>a better justice system for all</i></p>	<p>CJI has a statutory remit to inspect a wide variety of organisations and bodies and is required to carry out Inspections in relation to these criminal justice bodies or organisations unless the Inspectorate is satisfied they are subject to a satisfactory inspection regime. CJI's remit is broader than this and includes other bodies that also have a regulatory or prosecutorial role that engage with the criminal justice system.</p> <p><a href="#">Criminal Justice Inspection Northern Ireland website</a></p>
 <p>nipf NORTHERN IRELAND POLICE FUND</p>	<p>NIPF's remit is to provide support to police officers injured or killed as a direct result of terrorist attack, and their widows and families. Its overall aim is to improve the quality of life of its clients by providing financial and other support.</p> <p>NIPF achieves its objectives by providing a comprehensive, quality service to its clients. It is proactive in seeking to meet their needs, and provides a range of schemes designed to meet those needs now and in the future.</p> <p><a href="#">Northern Ireland Police Fund   NIPF (nipolicyfund.gov.uk)</a></p>
 <p>Northern Ireland Policing Board</p>	<p>The NIPB's statutory duty is to ensure that the PSNI is effective and efficient and to hold the Chief Constable to account. Its primary responsibilities are:</p> <ul style="list-style-type: none"> <li>• to consult with the community to obtain their views on policing and their co-operation with the police in preventing crime;</li> <li>• to set and publish outcomes and measures for the PSNI as part of an Annual Policing Plan and to monitor the PSNI's performance against this plan;</li> <li>• to appoint all Chief Officers of the PSNI above the rank of Chief Superintendent including police staff equivalents; and</li> <li>• to approve the annual budget for policing and monitor expenditure.</li> </ul> <p><a href="#">Northern Ireland Policing Board website</a></p>

**ANNEX 2 - MAIN FUNCTIONS AND ACTIVITIES OF AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES (CONTINUED)**

Non-Departmental Public Body	Main functions and activities
	<p>The Office of the Police Ombudsman for Northern Ireland provides an independent, impartial police complaints system for the people and the police of Northern Ireland. It investigates complaints about the Police Service of Northern Ireland, the Belfast Harbour Police, the Belfast International Airport Police, National Crime Agency (NCA) officers in Northern Ireland and Ministry of Defence Police in Northern Ireland. The Office also undertakes investigations into certain complaints about Immigration Officers and Designated Customs Officials when operating in Northern Ireland through a legal framework developed jointly with the Home Office and DoJ.</p> <p>The Police Ombudsman investigates complaints about the conduct of police officers and, where appropriate, makes recommendations in respect of criminal and misconduct matters. The Police Ombudsman also investigates matters referred to her by certain bodies, where appropriate, and reports on these matters to the DoJ, the Policing Board and the Chief Constable.</p> <p><a href="#">Police Ombudsman for Northern Ireland website</a></p>
	<p>PRRT was established to provide members of the RUC / PSNI and their families with assessment, treatment, training, and support prior to and following cessation of their service. The purpose of PRRT is to enable retired or retiring police clients to achieve and sustain a successful transition into life post policing by providing personal development advice, guidance, training and training support, psychological and physiotherapy therapies. PRRT also provides services to organisations within the DoJ.</p> <p><a href="#">Police Rehabilitation and Retraining Trust website</a></p>



**ANNEX 2 - MAIN FUNCTIONS AND ACTIVITIES OF AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES (CONTINUED)**

Non-Departmental Public Body	Main functions and activities
	<p>The role of the PSNI is to provide an effective, efficient, impartial, representative and accountable police service for all the people of Northern Ireland.</p> <p>The Police Service of Northern Ireland (PSNI) administers three pension schemes for police officers. The Police Pension Scheme 1988 (now referred to as the 'closed' scheme), the new Police Pension Scheme 2006 (or 'new' scheme), and from 1 April 2015 the 2015 Police Pension Scheme (or 'CARE' scheme).</p> <p><a href="#">Police Service of Northern Ireland website</a></p>
	<p>The mandatory functions of the Board are to:</p> <ul style="list-style-type: none"> <li>• secure the maintenance of an adequate and efficient probation service;</li> <li>• make arrangements for persons to perform work under Community Service Orders;</li> <li>• provide such probation officers and other staff as the DoJ considers necessary to perform social welfare duties in Prisons and Young Offender Centres; and</li> <li>• undertake such other duties as may be prescribed.</li> </ul> <p><a href="#">Probation Board for Northern Ireland website</a></p>
	<p>The Foundation was created for the purpose of '<i>marking the sacrifices and honouring the achievements of the Royal Ulster Constabulary</i>'; "<i>to support the professional development of police officers and innovations in policing</i>"; and "<i>to undertake joint initiatives</i>" with other organisations/persons within the RUC family, as appropriate in matters of common interest.</p> <p>The public benefit of the Foundation's work is primarily targeted towards: commemorating the achievements of the RUC GC; honouring the service of its former members; and, supporting their families. The Foundation's responsibilities include marking the sacrifices of the RUC by managing the RUC GC Memorial Garden and holding remembrance events; supporting the professional development of current police officers with a bursary scheme enabling individual research projects; and, initiating joint initiatives with various groups within the RUC GC family.</p> <p><a href="#">Royal Ulster Constabulary George Cross Foundation website</a></p>

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