



Northern Ireland

Courts and
Tribunals Service

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Annual Report and Accounts



17/18

serving the community through the administration of justice

Northern Ireland Courts and Tribunals Service

Annual Report and Accounts for the year ended 31 March 2018

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on

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GLOSSARY

AME	Annually Managed Expenditure
ASLC	Accrued Superannuation Liability Charges
BCS	Business Consultancy Services
CARE	Career Average Revalued Earnings
C&AG	Comptroller & Auditor General
CETV	Cash Equivalent Transfer Values
CFO	Court Funds Office
CPI	Consumer Price Index
CSNI	Coroners Service for Northern Ireland
CSP	Civil Service Pensions
DAO	Dear Accounting Officer
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DoF	Department of Finance
DoJ	Department of Justice
DRC	Depreciated Replacement Cost
EAT	Employment Appeals Tribunal
ECHR	European Convention on Human Rights
EJO	Enforcement of Judgments Office
FCS	Fine Collection and Enforcement Service
FPJPS	Fee Paid Judicial Pension Scheme
FReM	Government Financial Reporting Manual
GAD	Government Actuary's Department
GDPR	General Data Protection Regulations
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue & Customs
IAS	International Accounting Standard
ICO	Information Commissioner's Office
ICOS	Integrated Court Operations System
IFRS	International Financial Reporting Standards
JPS	Judicial Pension Scheme
LPS	Land & Property Services

MoJ	Ministry of Justice
MPMNI	Managing Public Money Northern Ireland
NIAO	Northern Ireland Audit Office
NICF	Northern Ireland Consolidated Fund
NICS	Northern Ireland Civil Service
NICTS	Northern Ireland Courts and Tribunals Service
NIJPS	Northern Ireland Judicial Pension Scheme
NIPS	Northern Ireland Prison Service
OLCJ	Office of the Lord Chief Justice
OSO	Official Solicitor's Office
PAC	Public Accounts Committee
PACWAC	Planning Appeals Commission and Water Appeals Commission
PCNI	Parole Commissioners for Northern Ireland
PCSPS	Principal Civil Service Pension Scheme
PfG	Programme for Government
PFI	Private Finance Initiative
PSNI	Police Service of Northern Ireland
RAP	Rent Assessment Panel
RMADs	Risk Management Accreditation Documents
RPI	Retail Price Index
RTTCWG	Report to Those Charged with Governance
SCS	Senior Civil Service
SHA	Stormont House Agreement
SIB	Strategic Investment Board
SMC	Substance Misuse Court
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SPG	Strategic Planning Group
TAS	The Appeals Service
VAT	Value Added Tax

PART 1 PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide sufficient information to ensure the remit and purpose of the Northern Ireland Courts and Tribunals Service (NICTS) is understood. It includes:

- a statement from the Acting Chief Executive providing his perspective on the performance of the Agency over the period;
- a statement of the purpose and activities of the Agency;
- the key issues and risks that could impact delivery of objectives; and
- a performance summary.

FOREWORD BY THE CHIEF EXECUTIVE

I am delighted to be writing my second foreword for the NICTS Annual Report.

NICTS is an Agency of the Department of Justice (DoJ) responsible for the provision of administrative support for all Northern Ireland's courts and the majority of Northern Ireland's tribunals. We also provide administrative support to the Coroners Service for Northern Ireland (CSNI) and are also responsible for enforcing the judgments of the civil courts through the Enforcement of Judgments Office (EJO), for funds held in court by the Court Funds Office (CFO) and the Parole Commissioners Secretariat.

I would like to record my thanks to NICTS staff for their continued dedication and commitment. Against a backdrop of financial uncertainty and diminishing resources, staff across the organisation remain focused on delivering a high quality service to the broad range of courts and tribunals users.

We are committed to delivering the Executive's draft Programme for Government (PfG). To that end we will work to ensure "we have a safe community where we respect the law and each other". We will also contribute to the delivery of the following draft PfG indicators:

- To reduce crime;
- To increase the effectiveness of the justice system; and
- To reduce reoffending.

During 2017-18 NICTS, working alongside partners from other Departments, Agencies and the voluntary sector, developed a pilot Substance Misuse Court (SMC) aimed at challenging offenders to tackle their drug and alcohol misuse. The SMC is one of a number of initiatives implemented under the Problem Solving Justice banner which aims to contribute to reducing reoffending and promoting a safer community. The SMC pilot will operate in Laganside Courts during 2018-19 followed by a formal evaluation.

During 2017-18, work on the Courts 2020 review commenced with the assistance of Strategic Investment Board (SIB). The review has become part of a wider Business Transformation Review to consider the future provision of a modern and affordable Courts and Tribunals Service capable of delivering justice efficiently and effectively during the next decade and beyond. The Transformation Review will span several years and incorporate a digital services programme and a review of the NICTS estate.

In the absence of the Executive, NICTS was unable to establish the new Fine Collection and Enforcement Service (FCS) during 2017-18 and implementation was delayed until 1 June 2018. This new service will fundamentally reform the way in which unpaid fines and other court penalties are collected in Northern Ireland. It provides for a range of collection methods including deduction from benefits and attachment of earnings and, where payment is not received, there will be a broader suite of options to address this such as supervised activity orders, bank account orders and vehicle seizure orders. Committal to prison for non-payment will be an option of last resort rather than the primary option that it has been until now.

Looking forward to 2018-19, in addition to the Transformation Review and Fines reforms mentioned above, the NICTS priorities will include:

- consulting on the future role of the CFO and a separate consultation on the future structure for civil and family court fees;
- continuing to provide support for legacy inquests and bidding for resources to give effect to the Lord Chief Justice's proposals for delivering these within a five year period;
- working with the Department for Communities (DfC) to achieve the statutory transfer of the Appeals Service to NICTS; and
- embedding new General Data Protection Regulations (GDPR) into business practices and processes.

In closing, I wish to thank the members of the NICTS Agency Board for their help, support and cooperation over the past year. I also want to take this opportunity to thank justice partners and other stakeholders for the contribution they make to the work of NICTS.



Peter Luney
Acting Chief Executive

STATEMENT OF PURPOSE AND ACTIVITIES

This is the Annual Report and Accounts for NICTS ("the Agency") for the financial year ended 31 March 2018. These Statements have been prepared in accordance with directions given by the Department of Finance (DoF) in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001.

Who we are

The Agency is an Executive Agency of the DoJ of Northern Ireland. During this reporting year there has been no established Assembly in place. A new Minister of Justice will be appointed when a new Executive is established.

The role of the Agency is to:

- provide administrative support for Northern Ireland's courts, tribunals, Parole Commissioners Northern Ireland (PCNI) and the Planning Appeals Commission and Water Appeals Commission (PACWAC);
- support an independent Judiciary;
- provide advice to the Department on matters relating to the operation of the courts, tribunals, EJO and PCNI;
- enforce civil court judgments through EJO;
- manage funds held in court on behalf of minors and patients;
- provide suitable courthouses and tribunal hearing centres; and
- act as the Central Authority under certain international conventions.

Corporate Aims and Values

Our corporate aim is: "Serving the community through the administration of justice"

Delivery against this aim is assessed against the 2016-21 Northern Ireland Civil Service (NICS) PfG. PfG encourages cross-departmental collaborative working and external stakeholder agreement to successfully deliver the desired outcomes. NICTS aim to deliver against two outcomes:

1. Outcome 7 – We have a safe community where we respect the law and each other.
2. Outcome 11 – We connect people and opportunities through our infrastructure.

We aim, at all times, to demonstrate the following corporate values:

- | | |
|-----------|--|
| Integrity | to interact with our customers with the highest degree of integrity, promoting an atmosphere of honesty and trust; |
| Openness | to undertake our work in an open and transparent manner; |

Professionalism	to conduct our business to the highest standard;
Accountability	to be responsible for delivering a high quality service to the public; and
Fairness	to treat everyone fairly.

How we are structured

There are 18 courthouses in operation and a number of tribunal hearing centres across Northern Ireland, the largest being Laganside Courts and the Royal Courts of Justice in Belfast. Further information on our structure is included in the appendices to this Report:

Appendix 1	Administrative Court Divisions;
Appendix 2	Northern Ireland Courts and Tribunals Service Structure; and
Appendix 3	Judicial Complement in Northern Ireland.

The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of the Agency, and is available on the NICTS website at www.justice-ni.gov.uk/courts-and-tribunals.

Support for the Northern Ireland Judiciary

NICTS is responsible for providing administrative support to the Northern Ireland Judiciary. There are 67 salaried judicial office holders (along with five vacancies), 58 deputy court judicial officers, 134 Lay Magistrates, 41 Parole Commissioners, 18 PACWAC Commissioners and 373 tribunal members.

The Lord Chief Justice of Northern Ireland is head of the Judiciary and President of the Courts of Northern Ireland. In addition, he is responsible for:

- assigning the Judiciary to the courts, listing business with the courts and determining sitting times;
- dealing with complaints against members of the Judiciary. The Code of Practice on Complaints and Protocol on Judicial Discipline are published on the NICTS website (www.justice-ni.gov.uk/courts-and-tribunals);
- maintaining arrangements for the welfare, training and guidance of the Judiciary; and
- representing the views of the Northern Ireland Judiciary to Parliament and (when sitting) to the Northern Ireland Assembly.

The Lord Chief Justice, the Rt Hon Sir Declan Morgan, is supported by the Presiding Coroner (The Hon Mrs Justice Keegan), the Presiding County Court Judge (His Honour Judge McFarland, Recorder of Belfast), the Presiding District Judge (Magistrates' Courts) (Judge Fiona Bagnall), the Presiding District Judge (Judge Isobel Brownlie), the Presiding Master (Master Cathal McCorry) and the Presiding Lay Magistrate (Ms Delia Devlin). Further information on the judicial complement can be found in Appendix 3.

Principal Risks and Uncertainties

Risk management is integrated into the activities of NICTS by linking risk directly to the achievement of objectives. NICTS implements effective risk management arrangements, which are detailed in a Risk Management Policy Statement. These include developing, monitoring and reviewing an Agency Risk Register which identifies the key risks, those responsible for ensuring that the risks are managed, and the action that will be taken to manage them.

There were nine risks appearing on the Corporate Risk Register at the end of the relating 2017-18 reporting period:

- (1) failure to adequately resource and progress legacy inquests;
- (2) courts unable to sit due to unavailability of judges and/or deputy cover or sufficiently trained staff resulting in delay in court proceedings;
- (3) Official Solicitor's Office (OSO) – failure to safeguard the needs and interests of patients/minors;
- (4) finance – failure to live within the allocated budget and secure additional resources to deliver business objectives from 2018-19 onwards;
- (5) transfer of the Appeals Service and the challenging timeframe for delivering due diligence work;
- (6) degradation of the Court Estate; and
- (7) risk of not being compliant with new GDPR when they come into force in May 2018.

2017-18 PERFORMANCE SUMMARY

Deliver efficient and effective Court, Tribunal and Enforcement services

- During 2017-18 NICTS met or exceeded 36 out of 37 of its performance standards. A summary of performance can be found at Annex D.
- The procedures and supporting infrastructure for a substance misuse pilot were put in place during 2017-18. A Practice Direction for the SMC Pilot launched in April 2018.

Deliver high quality services that support an independent Judiciary and meet the needs of our customers

- During 2017-18 work on the Courts 2020 review commenced with the assistance of SIB. The review has become the part of a wider Business Transformation Board, including, but not limited to a review of the NICTS Estate and Digital Services. A Board has been established and a Business Case has commenced to progress the work into 2018-19.
- The Agency has continued to support the Department and Office of the Lord Chief Justice in taking forward recommendations from the Civil and Family Justice Review as well as initiating a scoping exercise to consider NICTS commitments in 2018-19 and beyond.
- A second remote link in the NSPCC room has been installed in Bishop Street Courthouse, to deliver in line with the DoJ Victim & Witness Action Plan 2017-2020.
- Interpreting and translation services were delivered across all court and tribunal venues in compliance with EU Directive 2010/64.

Develop and lead our people to achieve our business objectives

- A corporate training plan for 2017-18 was agreed and delivered which increased effectiveness and better supported the delivery of business objectives.
- NICTS launched a new Staff Engagement Plan (2017-19) following the results of the NICS Staff Attitude Survey.
- Business Consultancy Services (BCS) completed a review of EJO in August 2017 and provided a number of recommendations for consideration.
- A Review of Court Operations by BCS commenced in September 2017 to be completed in the first quarter of 2018-19.

Deliver a controlled financial and commercial environment achieving value for money

- Overall expenditure was contained within the total budget set by DoJ. There was an overspend in Resource DEL of £943k which NICTS had been given prior authorised approval from DoJ to access additional funding to cover.

- Civil and family court fees were increased by 10% in April 2017 as part of a three year phased increase to fees. The second increase to fees was implemented on 1 April 2018, when a further 7.5% increase was made to Court Fees. During 2017-18 the fee increases have led to an increase in income of £1.7m, and has helped to improve the cost recovery position, from 73% to 82%.
- NICTS met all statutory financial reporting deadlines.
- Work continued to deliver good value for money and generate savings from procurement and contract management during 2017-18.

2018-19 FORWARD LOOK

Within the next financial year, NICTS is aiming to:

- establish the FCS provided for in the Justice Act (NI) 2016, implemented on 1 June 2018;
- continue work on the Business Transformation Programme, including a review of the NICTS estate and a review of Digital Services and the recommendations of the BCS Review of Court Operations;
- consult on the future structure for civil and family fees and imbed changes arising from the 2017 Fees Orders;
- provide administrative support and bid for resources to effectively deliver legacy inquests and any associated reform proposals including operational arrangements to support the management and progression of legacy cases, subject to provision of adequate resources;
- continue to work with DfC to achieve the statutory transfer of The Appeals Service (TAS) to NICTS within an agreed timeframe;
- consult on the future role of the CFO;
- implement the agreed recommendations arising from the reports by BCS and Internal Audit Service on OSO; and
- embed new GDPR into business practices and adjust to the full impact of legislative changes as the Information Commissioner's Office (ICO) release more guidance.

PERFORMANCE ANALYSIS

The NICTS Business Plan for 2017-18 contained the following strategic objectives:

- to deliver efficient and effective Court, Tribunal and Enforcement services;
- to deliver high quality services that support an independent Judiciary and meet the needs of our customers;
- to develop and lead our people to achieve our business objectives; and
- to deliver a controlled financial and commercial environment achieving value for money.

NICTS published a number of performance targets in its Business Plan in support of these strategic aims. The following commentary explains what was done during 2017-18 to achieve these strategic objectives.

Deliver efficient and effective Court, Tribunal and Enforcement services

Business volumes during 2017-18 were as follows:

	Cases Received	Cases Disposed of
Criminal	41,950	41,341
Civil	28,836	30,533
Family	9,657	8,597
Tribunals*	12,952	9,429
Parole Commissioners	662	658
Legacy and Coronial Services	4,210	4,100

* excluding PACWAC

Criminal Business

Criminal business includes criminal cases dealt with in the Crown Court and in Magistrates' Courts.

The Crown Court hears all offences charged on indictment. Offences tried on indictment are the more serious offences. Most Crown Court trials will be heard by a jury although, in certain circumstances, a Judge sitting alone may determine a case.

The majority of criminal cases are dealt with by Magistrates' Courts. These will generally be less serious offences. In addition, Youth Courts are specially constituted Magistrates' Courts where the District Judge will usually sit with two Lay Magistrates to deal with criminal matters in relation to children.

During 2017-18 the number of criminal cases received (41,950) was similar to the 41,970 received during 2016-17. The number of criminal cases disposed of decreased by 2% to 41,341 (2016-17: 42,352).

Civil Business

Civil court business is dealt with primarily in the High Court and the County Court.

During 2017-18 there was a 3% increase in civil business received to 28,836 (2016-17: 27,946 restated). During 2017-18, the volume of civil business disposed of increased by 1% to 30,533 (2016-17: 30,127).

Family Business

Family business is dealt with in the High Court, County Courts (Family Care Centres) and Magistrates' Courts (Family Proceedings Courts). This area of business includes divorces and proceedings under the Children (Northern Ireland) Order 1995 in relation to the care or welfare of children.

During 2017-18 overall family business received decreased by 5% to 9,657 (2016-17: 10,141). Business disposed of during 2017-18 decreased by 9% to 8,597 (2016-17: 9,476).

Coroners Service for Northern Ireland (CSNI)

CSNI inquire into deaths reported to them that appear to be unexpected or unexplained. The Coroner will seek to establish the cause of death and will make whatever inquiries are necessary to do this.

During 2017-18 the number of deaths reported to the Coroner increased by 2% to 4,210 (2016-17: 4,112). There was an 8% decrease in the number of inquests heard to 124 (2016-17: 135); a 5% decrease in the number of post-mortems held to 1,007 (2016-17: 1,056); a 3% increase in the number of cases that did not require a post-mortem to 2,407 (2016-17: 2,329) and an 8% decrease in other disposals to 562 (2016-17: 611).

Court Funds Office (CFO)

CFO is the Office of the Accountant General for the Court of Judicature of Northern Ireland. It administers and manages funds brought under the control of the civil courts in Northern Ireland from three main sources:

- damages awarded to children (minors) as a result of civil legal action, held until the child reaches 18 years of age;
- assets belonging to people who are deemed by the court to be unable to manage their own financial affairs; and

- money held in court pending settlement of civil court action; monetary bails received by the courts, or where the Court of Judicature acts as a receiver of last resort for assets of individuals, partnerships or companies.

During the year, CFO held funds on behalf of approximately 12,770 individuals. At 31 March 2018, CFO held funds totalling approximately £298m.

Tribunals

The Tribunal Hearing Centre hears cases from a number of NICTS administered Tribunals. During 2017-18 there was an increase of 1% in the number of appeals received, 1,989 compared to 1,967 in 2016-17.

Parole Commissioners Secretariat

Over the past year, 662 cases were referred to the Parole Commissioners for review, recommendation and consultation, an increase of 3% increase on the 642 received during 2016-17. The Chief Commissioner publishes an Annual Report on the work of the Parole Commissioners.

Planning Appeals Commission/Water Appeals Commission (PACWAC)

The Commission represents two independent appellant bodies who share the same aims, objectives and core values. Commissioners are appointed to determine both Planning and Water appeals. The Planning Appeals Commission decide a wide range of appeals and report on various matters under planning and other legislation. During the year there was a 3% increase in appeals received to 310 (2016-17: 300).

The Water Appeals Commission exercises a wide range of functions under water, fisheries and drainage legislation. During the year there was a decrease in appeals received with the number dropping to one (2016-17: six).

The Chief Commissioner publishes an Annual Report on their work, expected to be published in Autumn 2018.

Department for Communities (DfC) Tribunals

The Appeals Service (TAS)

NICTS currently administers TAS on behalf of DfC under a Service Level Agreement. DfC retains statutory and financial responsibility for TAS.

TAS administers welfare benefit appeals from decisions of DfC, HM Revenue and Customs (HMRC), Northern Ireland Housing Executive and Land and Property Services (LPS). In 2017-18 there was an increase of 9% in the number of appeals received to 10,959 (2016-17: 10,048).

Rent Assessment Panel (RAP)

NICTS also administers RAP on behalf of DfC under a Service Level Agreement. DfC retains statutory and financial responsibility for RAP through TAS.

RAP through the rent assessment committees, consider, at the request of a landlord or tenant, if the rent determined by the rent officer is appropriate. During 2017-18 there was a decrease of 33% in the number of appeals received to four (2016-17: six).

Enforcement of Judgments Office (EJO)

EJO provides a centralised enforcement service for civil court judgments relating to the recovery of money, goods and property.

In 2017-18 receipts of the initiating document, Notice of Intention to Enforce a Judgment, increased by 3% to 10,578 (compared to 10,282 in 2016-17). The number of applications to enforce increased by 32% to 6,323 (compared to 4,795 in 2016-17). Enforcement activity has continued to see a large amount of debt recovered in 2017-18 (£7.79m), compared with £8.05m recovered during 2016-17. A range of external factors has seen the number of repossession cases lodged for enforcement decrease by 9% in 2017-18 (591) to that lodged during 2016-17 (653). The fall in the number of repossession cases lodged has therefore impacted on the number of repossessions completed, which decreased by 12% in 2017-18 (354) compared to 403 in 2016-17. The embargo placed on Lloyds and the Bank of Scotland cases has now been lifted. Discussions with the legal representatives indicate an increase in repossession cases lodged with the office can be expected in 2018.

EJO has worked closely with PSNI to ensure that judgments are executed fully and to effectively manage and mitigate any risks to those involved in the repossession process. NICTS continues to work with PSNI to develop a joint understanding of its statutory role in the provision of assistance and support to EJO which enables NICTS to carry out the work effectively.

Relationships continue to be developed with advice bodies such as the Housing Rights Service, Advice NI, Citizens Advice Bureau and with creditors' representatives to encourage early and better engagement between creditors and debtors. This, combined with improved relationships between other Government Departments and stakeholders, has enabled the provision and sharing of information which has assisted in the execution of Money Judgment and Repossession Orders. EJO staff have delivered a number of presentations to a wide range of organisations to highlight the work of the office and the governing legislative framework.

Speeding up Justice

Throughout 2017-18 NICTS continued to work with DoJ colleagues on a number of initiatives aimed at addressing delay in the criminal justice system including proposals for statutory case management and committal reform. Following the successful Indictable Cases pilot in the Division of Ards, application of the Indictable Cases Pilot principles

commenced on 2 May 2017 for the investigation, prosecution and progression of serious drugs cases, section 18 assault cases, section 20 assault cases, attempted murder cases and earlier admissions of guilt/earlier guilty pleas.

Committal Reform

NICTS has been heavily involved, with key partners, in a major DoJ led project to reform the committal process. This reform will involve significant change to systems and processes in the criminal justice system and require awareness and training of many staff and judiciary.

The project is to implement Part 2, Chapter 2: Direct Committal for Trial in Certain Cases, of the Justice Act (NI) 2015 and further provisions included in the Criminal Justice (Committal Reform) Bill 2017. The changes include:

- the direct committal from the Magistrates' Court to the Crown Court of an accused person charged with murder or manslaughter or an inchoate form of such an offence;
- the direct committal of a co-accused person who is charged with an offence related to a specified offence; and
- a mechanism to deal with those cases which are suitable to be tried on indictment where the accused indicates at an early stage that he/she intends to plead guilty (Section 10).

Plans are well advanced and technical requirements in progress, however the Bill requires to be taken through a legislative body before the changes may be implemented. There are currently three separate project groups and a governance committee working on delivery of all aspects of committal reform and this is expected to continue into 2018-19.

Problem Solving Justice: Pilot Substance Misuse Court

Problem Solving Justice is a new way of delivering justice in Northern Ireland. It attempts to get beneath the symptoms of the problem to address the issues that drive the negative behaviours.

During 2017-18 DoJ took forward the Problem Solving Justice portfolio, one of three NICS Pathfinder Projects which tested the Outcome Based Accountability approach to Indicator 39 in PfG, 'Reduce Reoffending'. NICTS took the lead on one of the five Problem Solving Justice initiatives – a pilot SMC. The SMC seeks to reduce reoffending and substance misuse among participants and to facilitate their rehabilitation.

Following an evidence-based selection process which considered the impact of substance misuse across all local regions the decision was taken to site the pilot SMC in Belfast at Laganside Courts and the Presiding District Judge (Magistrates' Court) will hear all the cases. The pilot court commenced in April 2018. Participants will undergo intensive treatment and regular substance testing in addition to monthly court hearings to review their progress. The number of participants will be capped at 50 and the pilot will run for approximately 12 months followed by a period of evaluation modelled on the Outcome

Based Accountability methodology. This will compare the participants with a cohort of 50 similar defendants who are not on the programme and will enable comparative reporting throughout the pilot and post project.

Single Jurisdiction

A single jurisdiction was implemented in Northern Ireland in October 2016 where the jurisdiction of County Courts and Magistrates' Courts were no longer determined by reference to County Court Divisions and Petty Sessions Districts. A new structure was implemented through three Administrative Court Divisions and these arrangements provided flexibility to list business and enable more effective disposal of court business. The past year has given the process time to embed and we plan to support the Office of the Lord Chief Justice going forward in reviewing the impact of the single territorial jurisdiction.

Coroners Service for Northern Ireland (CSNI)

Significant improvements continued to be introduced in the CSNI supported by issue of revised guidance on working with the Coroner, witness attendance at inquest and death reporting, to ensure a better understanding of legislation and processes and provide a more consistent standard of service to bereaved families.

The business performance targets were reviewed taking account of strategic and operational challenges and more challenging targets were agreed and delivered to ensure a higher standard of service delivery. Standardised targets were also set for the receipt of PSNI and Health Trust witness statements to address any delay whereby cases are referred to a Coroner to ensure timely case progression. An innovative approach was adopted through digitisation to achieve measurable improvements in performance and service delivery including remote out of hours working, increased electronic issue of court orders and increased use of video link to hear witness evidence. The on-line death reporting has been made more accessible. All burial and cremation orders can now be requested and issued by e-mail and death confirmation e-mailed to the Registrar of Deaths.

In conjunction with the Coroners, procedures were developed to move to a paperless office. In addition a project for a new IT System has been progressing to procure a system that fits with the Agency and NICS vision for customer facing services.

The Coroners User Forum and operational and health sub-groups continued to meet throughout the year to continually improve the quality and responsiveness of our services. Significant engagement with stakeholders also took place to ensure a more joined up approach to service delivery.

A Colloquium was held on 5 October 2017 which was aimed at the legal profession, entitled 'everything you need to know about death but were afraid to ask'. The event was deemed a success and the Coroners Service is seeking to build on this with more events planned for next year on topics including Article 2 inquests and disclosure.

In the absence of any political agreement, and a funding package for the progression of legacy inquests in line with the Lord Chief Justice's five year plan, work was taken forward to progress eight of the 55 outstanding cases within resources made available by DoJ. Also in preparation for the planned Legacy Inquest Unit, new disclosure procedures were introduced to improve the handling of disclosure and ensure appropriate information assurance arrangements. A number of investigatory tools including unique CSNI forms, Preliminary Case Assessment and recording systems for witness interviews were designed and rolled out. In-house tracing capabilities have increased and have been further refined to support witness tracing efforts in conjunction with the Ministry of Defence, PSNI and other key stakeholders. A Memorandum of Understanding has been developed with PSNI to underpin case management.

Fine Collection and Enforcement

The establishment of the FCS, provided for in the Justice Act (NI) 2016, was delayed due to the absence of a functioning Assembly to progress the required secondary legislation. However, NICTS continued to work with partner agencies to progress a number of key work streams in preparation for the implementation of the new FCS which was implemented on 1 June 2018. Under the new arrangements there will be a much broader range of collection methods available, including deduction from benefits and attachment of earnings. Where payment is not made there will also be a broader range of default options, including supervised activity orders, bank account orders and vehicle seizure. It is anticipated that the new arrangements will significantly reduce the number of cases which require going to a default hearing and will greatly reduce the reliance on committal to deal with non-payment.

In the absence of secondary legislation, NICTS continued to operate transitional enforcement arrangements to deal with fine default which required a fine default hearing before a Judge who determined what enforcement action should be taken. Both the progress of the new and transitional arrangements are monitored by the Fine Collection and Enforcement Programme Board and the Fine Collection and Enforcement Service Project Board.

Fine Default Litigation

In March 2013 the Divisional Court held that the long-standing procedures for the enforcement of unpaid fines and other monetary penalties in Northern Ireland were unlawful. The court found that the detention in question was in breach of Article 5 ECHR. Subsequently, five test cases were remitted to the High Court so that issues of liability and compensation could be determined. However, following legal advice the decision was taken to settle the test cases which spanned periods of imprisonment from two to 13 days.

The settlement terms agreed in December 2016, provided a sound and consistent basis for settling future claims, minimising the need to negotiate settlement terms for individual cases. They also provided for the 'claw back' of outstanding fines including the grounding fine on which the unlawful detention was imposed.

Pursuant to section 7(5) of the Human Rights Act 1998 proceedings alleging a breach of a Convention right must normally be brought within one year beginning with the date on which the act complained of took place. Therefore in accordance with legal advice NICTS applied the one year limitation on all claims.

To date, NICTS has received a total of 901 letters of claim. Of these claims, 58 have been assessed as valid and received letters of settlement.

A number of claimants (144) with claims deemed to be invalid have subsequently lodged a Writ of Summons in the High Court seeking damages. Consequently, there remains uncertainty on the potential liability and associated financial implications which could be significant.

Interpreter Services

NICTS arrange interpreter services for court and tribunal users who do not have English as their first language. The main languages requested in 2017-18 were Polish, Lithuanian, Mandarin and Romanian. In total, there were 3,044 (2016-17: 3,215, a decrease of 5%) requests for language interpretation in courts and 384 (2016-17: 526, a decrease of 27%) requests for the translation of documents. NICTS also has arrangements in place to allow for telephone interpretation across all court locations and during 2017-18 this was used on 23 occasions (13 occasions in 2016-17).

Criminal Justice Inspection Northern Ireland (CJINI) Engagement

In July 2015 in a follow up to a 2012 report into the adequacy of the NICTS Estate, CJINI reported that NICTS had made significant progress since the original inspection. It also concluded that the cost of maintenance, and the need to upgrade the court buildings to meet modern standards, is beyond the resources available to NICTS. Therefore retaining the current estates infrastructure was not an option. A courthouse closure proposal was publically consulted on in 2015-16 and following that process the then Justice Minister, David Ford, took the decision to close six courthouses.

In October 2016 his successor, the then Justice Minister, Claire Sugden, announced that she had decided to reverse the decision taken in the previous mandate to close six courthouses. She concluded that NICTS should retain maximum flexibility within the court estate for the time being. Following that announcement the key priorities for the estate became the modernisation of office accommodation in Antrim, Newry and Omagh and the improvement of the security and heating systems throughout the estate. This is being reviewed again as part of the Transformation Review. As a consequence of this development NICTS is now working with SIB in developing an Estate Strategy for NICTS.

A separate CJINI Enforcement of Road Traffic Legislation report issued in September 2016 and recommended criminal justice organisations, including NICTS, should create a prosecution team for traffic offences within the jurisdiction of a centralised traffic court. An inter-agency Criminal Justice Road Traffic Feasibility Group led by DoJ has been established to consider this recommendation in detail.

NICTS, in conjunction with the Department, will continue to monitor all CJINI recommendations from previous inspections to ensure they are addressed and that agreed recommendations are implemented at the earliest possible date.

Deliver high quality services that support an independent Judiciary and meet the needs of our customers

NICTS Transformation

In October 2016, the then Justice Minister, Clare Sugden MLA, asked for a review to be carried out to ensure the future provision of a modern and affordable courts and tribunal service capable of delivering access to justice efficiently and effectively. This review, entitled Courts 2020, has been merged with other business improvement initiatives to form the NICTS Transformation Portfolio. This is intended to enable the selection, prioritisation and control of transformation projects and programmes in line with strategic objectives and resource constraints.

The portfolio of programmes and projects has entered the Discovery Stage, to develop a framework, in consultation with the Lord Chief Justice and other stakeholders that will ensure the provision of a modern and affordable Courts and Tribunals Service capable of delivering access to justice efficiently and effectively during the next decade and beyond. This stage is crucial to the success of the project as it ensures appropriate due diligence is completed to enable the identification of appropriate business areas for transformation. It is vital that lessons learnt from other areas are captured and evidence is gathered to inform the development of a portfolio business case.

NICTS Estate

The Court Estate comprises 21 freehold courthouses and hearing centres (four of which are presently vacant), Laganside Courts a Public-Private Partnership (PPP), Park House and Laganside House two DoF buildings which are leased to the NICTS. In conjunction with SIB, NICTS continue to address developing accommodation solutions while ensuring high quality facilities at courthouses and tribunal hearing centres are maintained. Where possible the department has made inroads in achieving best value for money by moving out of leasehold to free hold and increasing occupational density in existing accommodation.

Supporting an independent Judiciary

NICTS works in partnership with the Judiciary on a wide range of issues which impact on the courts and the tribunals, including the achievement of the performance standards set by the Lord Chief Justice (the 2017-18 performance standards can be found at Annex D).

Improved Services for Victims and Witnesses and other Court Users

NICTS continues to support the listing arrangement for victims of domestic violence in Londonderry Magistrates' Court and completed enhancements to this court by adding a Problem Solving Justice element in the form of a Perpetrator Programme and also by

installing a remote live link for witnesses in this court in the nearby NSPCC accommodation. This link provides a safe and secure environment from where to give evidence without fear of meeting the perpetrator.

NICTS is represented on various cross-agency working groups to improve services for victims and witnesses including those affected by hate crime and domestic and sexual violence. NICTS has been heavily involved in the preparations for some key legislative changes which are planned to take effect in the next financial year. These include Domestic Violence Protection Notices and Domestic Violence Protection Orders, and the creation of a new Domestic Abuse Offence.

Registered Intermediaries continue to be used effectively and successfully across the Crown and Magistrates' Courts. Registered Intermediaries are communication specialists who assist vulnerable victims, witnesses, suspects and defendants with significant communication deficits to communicate their answers more effectively during police interview and when giving evidence at court.

During the year around 20 staff were trained by Victim Support in the remote link Accompanying Officer role. This is part of the court officer role although colleagues in Victim Support and NSPCC routinely perform this within their court support remit. The Accompanying Officer performs a vital task of ensuring the proper conduct of the remote link and providing assurance to the court that evidence has been given without interference.

CourtsWifi is a free public Wi-Fi service and is now available in all courthouses. In addition, we have rolled out a secure Wi-Fi service for legal, professional and corporate use across all courthouses. To date, we now have over 1,000 members from the Bar, Law Society and the Public Prosecution Service registered on the system. In addition TAS has also worked closely with IT Assist and DfC colleagues to establish a free public Wi-Fi service at Cleaver House for use by parties attending appeal tribunal hearings.

Children and Young People

Development of a separate Family Proceedings Court facility on Level 3 in Laganside Courts comprising a bespoke Family Proceedings courtroom, witness waiting areas, consultation rooms and separate accommodation for Court Children's Officers completed and became fully operational in May 2018.

Outreach

NICTS continues to promote knowledge and understanding of the justice system through its Community Outreach Programme by facilitating community groups and University visits and by supporting a work placement programme.

This year Antrim Courthouse hosted the National Magistrates' Mock Trial Competition. It is the 12th successive year NICTS has hosted, and the second time outside Belfast; nine schools took part in the event. Separate mock trial events were held in Londonderry Courthouse and Coleraine Courthouse, facilitated by the Citizenship Foundation. These

competitions invite local secondary school students to gain further insight in the legal system by encouraging active participation.

Once again Downpatrick Courthouse participated in the European Heritage Open Day and for the second year Armagh Courthouse opened its doors for a period Mock Trial during the city's annual Georgian Day festivities.

During summer 2017, one law student from Fordham University, New York, completed a three week internship in the Office of the Lord Chief Justice (OLCJ). In September 2017, one second-year law student from Queen's University Belfast participated in the three week OLCJ annual internship scheme. During each of the internship programmes, the interns observed court proceedings, engaged with Judges and members of the legal profession, met other justice stakeholders and undertook specific administrative duties. Feedback from the interns showed that the internships were a worthwhile and enjoyable experience which potentially enhanced their career prospects and which they would recommend to anyone interested in a legal career.

Business Continuity

The Agency has in place business continuity plans to ensure that critical business functions can be maintained. Following a table-top exercise undertaken by the Department a review of all plans has been undertaken; a revised Plan will be produced in the next reporting year.

IT Assist provides and hosts all NICTS information systems. They provide a resilient solution, based on high availability, redundancy and mirrored data centres, which was tested for real with the recent power outage to one of their data centres, during which no NICTS services were affected.

Develop and lead our people to achieve our business objectives

Training was delivered and monitored in line with the Agency's 2017-18 Corporate Learning Plan. Generic training was delivered to staff through the Centre for Applied Learning (CAL) with the majority of staff receiving training on the RM8 electronic records system. External line of business training was also provided as appropriate.

In addition to the classroom and on-line training delivered by the Centre for Applied Learning, a bespoke digital training package on Bails in the Criminal Courts was developed for court operations staff.

Managers in court operations also developed line of business training plans. Given the significant numbers of new staff following the Voluntary Early Severance Scheme, monthly 'job specific' training sessions were arranged to assist front line staff with the delivery of this learning.

To further enhance this staff development a Court Operations Forum, comprising experienced staff of all grades, was established to ensure consistency of business

processing across the province, establish best practice and quality assure operational guidance.

A revised Knowledge Bank containing the fundamental court operational guidance, key materials and practice directions has also been developed to further support staff training and development.

An NICTS Health and Safety Executive Stress Risk Assessment Action Plan was developed to identify areas for improvement which were raised by staff following the last NICS Staff Survey. Since the Plan was published, staff from across the Agency have collaborated to put in place a number of measures to address many of the points raised. In conjunction with NICS-HR and Trade Union colleagues the existing plan has been reviewed and updated, taking into account the actions already implemented and it has been revised and published as the NICTS Staff Engagement Action Plan for 2017-19.

In August 2017 BCS published their Review of EJO and proposed a number of recommendations. Following consideration EJO established a small project team in October 2017 to implement and evaluate a number of pilots designed to improve the effectiveness and efficiency of enforcement services. In addition to the updating and preparation of new operational guidance the following pilots have been initiated:

- increased use of Enforcement Officers;
- potential alternative approaches to means interviewing;
- a review of the existing summons procedure; and
- new post handling arrangements.

The evaluation of the effectiveness of these pilots will influence future decisions in respect of wider organisational and workflow restructuring options.

Deliver a controlled financial and commercial environment achieving value for money

Accounting Boundary

The accounting boundary specifically excludes the funds invested by CFO and third party monies. CFO publishes separate audited financial statements.

Details of income (fines, confiscation orders, fixed penalties and other monetary penalties) collected as an agent for the Northern Ireland Consolidated Fund (NICF) will be disclosed in the Agency's Trust Statement, in accordance with the Accounts Direction Dear Accounting Officer (DAO) (DFP) 03/13. The Trust Statement is published separately from these accounts.

Net Expenditure Review

The 2017-18 summary position is presented in the table below.

	2017-18 Actual £'000	2017-18 Budget £'000	Variance £'000
Net Resource DEL	48,489	47,546	943
Net Resource AME	(945)	(524)	(421)
Non Budget Notional Costs	1,420	1,945	(525)
Net Expenditure	48,964	48,967	(3)
Capital DEL	998	1,135	(137)
Total Expenditure	49,962	50,102	(140)

The £140k underspend is due to:

- £943k overspend in resource DEL created by a £713k overspend in non-staff costs, £288k overspend in staff costs, £365k under recovery in income offset by underspends in provisions (£86k) and depreciation (£337k) ;
- £421k underspend in non-cash AME due to legal provisions no longer required;
- £525k less notional charges than anticipated; and
- £137k underspend in capital due to uncontrollable delays in capital works.

Non-Current Assets

Non-current asset expenditure movements are detailed in the notes to the financial statements. Capital additions in 2017-18 totalled £998k (2016-17: £1,956k) which included expenditure on video conferencing facilities, costs associated with the installation of public Wi-Fi and building improvements.

Financial Position

The total net assets of the Agency at 31 March 2018 were £172,135k (2016-17: £164,918k). This is the value of all assets, less the liabilities of the Agency as at the year end.

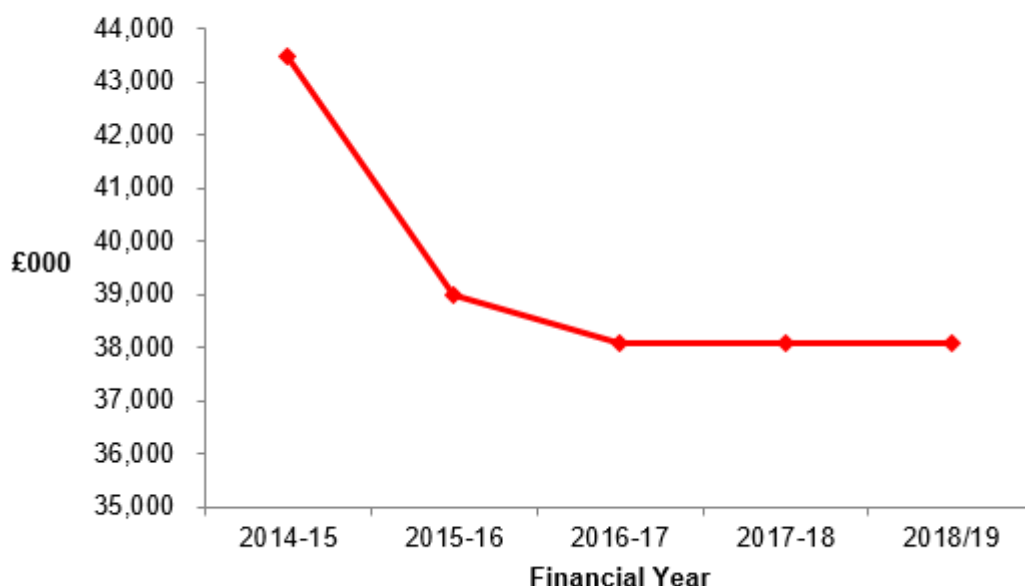
Cash Flow

As detailed in the notes to the Accounts, the NICTS Net Assembly draw down in 2017-18 was £34,138k (2016-17: £41,391k) and the net increase in cash and cash equivalents in the year is £1,367k (2016-17: decrease of £50k).

Long Term Expenditure Trends

Chart 1 outlines the movement in the NICTS non-ring-fenced Resource DEL baseline over the period 2014-15 to 2018-19.

Chart 1: NICTS Non-Ring-Fenced Resource DEL opening baseline 2014-15 to 2018-19



The figures have been restated from 2014-15 to include £1,889k for PACWAC. PACWAC transferred to NICTS on 9 May 2016.

2014-17 Financial Years

During the period 2014-15 to 2016-17, NICTS non-ring-fenced Resource DEL baseline budget has been reduced by 12.4% from £43,477k to £38,087k. Taking into account the effect of inflation, the real term impact was significantly greater.

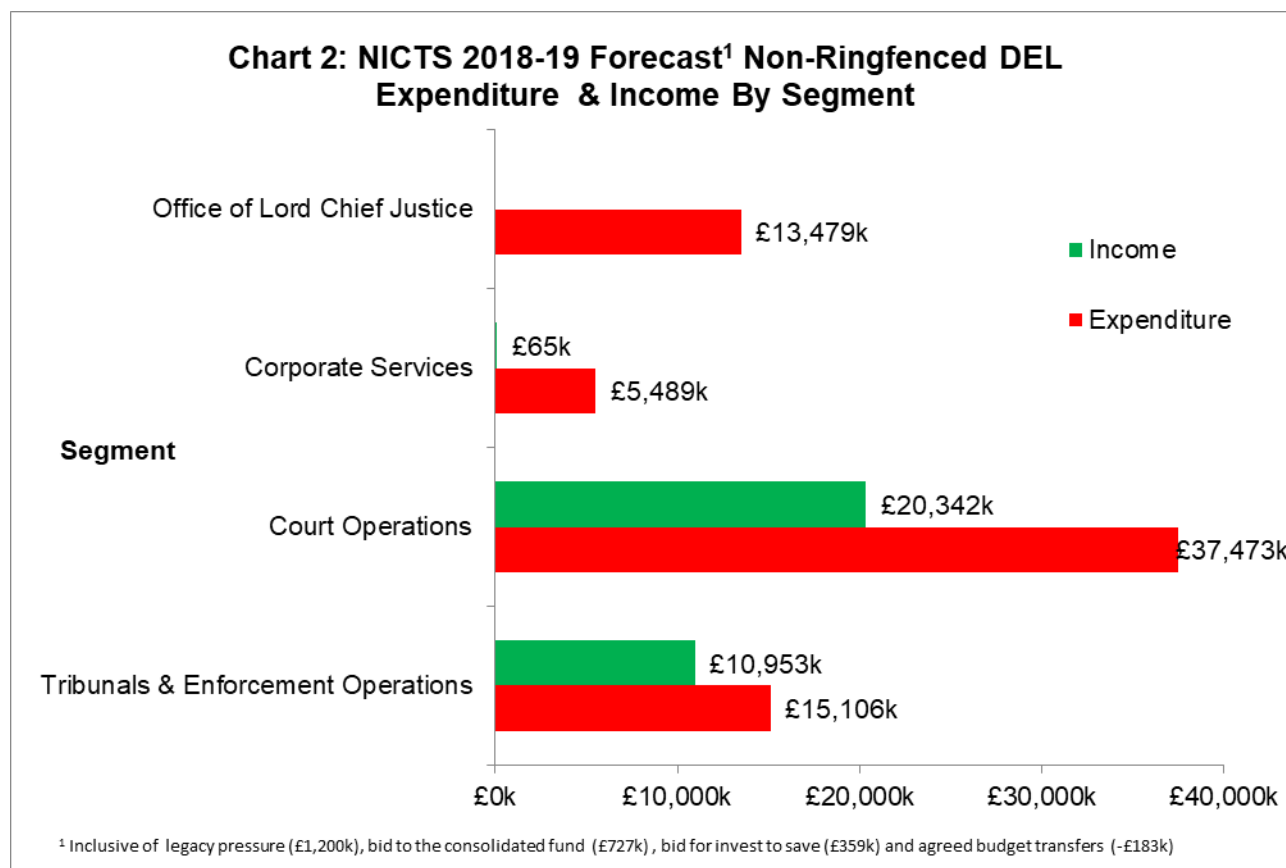
2017-18 Financial Year

In 2017-18 NICTS received an indicative non-ring-fenced Resource DEL budget allocation of £38,083k (£68,648k expenditure and £30,565k income). Whilst there is no baseline reduction, NICTS generated £5,168k of savings to meet internal pressures including inflation. This equates to a 13.6% real reduction. During 2017-18 NICTS received additional funding of £1,796k resulting in a full year non-ring-fenced Resource DEL budget of £39,879k.

2018-19 Financial Year

NICTS non-ring-fenced Resource DEL budget is a flat cash settlement of £38,083k in 2018-19. NICTS has to generate £3,496k of savings to meet internal pressures including inflation effectively avoiding a baseline cut. This equates to a 9.2% real reduction which will be achieved by continuing prudent financial management, a further uplift in civil fees

and non-recurring projects completed in 2017-18. Chart 2 outlines the NICTS 2018-19 forecast non-ring-fenced Resource DEL expenditure (£71,547k) and income by segment (£31,360k).



Looking Ahead – Budgets beyond 2018-19

Decisions on budgets beyond 2018-19, including the length of the budget period and the funding envelope for the Department, will be a matter for an incoming administration.

Payment of suppliers

The NICTS policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 10 days of receipt of a properly rendered invoice, whichever is earlier. During the financial year, NICTS achieved an average 91.9% (2016-17: 91.5%) of invoices paid within ten working days on receipt of the invoice. NICTS achieved an average of 96.6% (2016-17: 97.6%) of invoices paid to suppliers within 30 calendar days of receipt of invoice.

Auditors

The financial statements of NICTS are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

The audit of the financial statements for 2017-18 resulted in a notional audit fee of £97.5k (2016-17: £104k), £45k of which relates to the audit of NICTS (2016-17: £45k), £33.5k

(2016-17: £33.5k) relates to the audit of the Trust Statement, £11.5k (2016-17: £11.5k) relates to the audit of Funds in Court and Land Purchase Accounts, and £7.5k (2016-17: £13.5k) relates to the audit of the NICTS Investment Account.

Financial Risk

For 2017-18, NICTS relied primarily on DoJ for funding, and the risk to funding is low. The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk. NICTS received an indicative budget for 2018-19 in March 2018, a final budget allocation will be a matter for the incoming administration.

Sustainability Reporting

NICTS, in line with the DoJ sustainability statement, continues to be committed to incorporating sustainability into its core activities. It is recognised that its activities have both direct and indirect environmental impacts and is subsequently committed to continually working towards a more environmentally sustainable future. The Agency is committed to achieving annual targets under the Carbon Reduction Commitment (CRC) Scheme and associated accreditation and strives in its day to day activities towards maintaining the best possible environmental performance. This Scheme will finish at the end of its current five year CRC cycle which ends in 2018-19.

Environmental Issues

Going forward NICTS will continue to explore areas that will provide energy efficiency savings. It remains committed to the principles of sustainable development and the integration of environmental consideration into its policies and the operational aspects of estate management and procurement. NICTS continues to adhere to waste management strategies with the continuation of recycling contracts and support of the NICS cycle to work scheme.

Corporate Social Responsibility

Working in a socially responsible way underpins the Agency's values of delivering effectively, valuing our people, working together, being outwardly focused and taking responsibility. NICTS aims to make a positive impact on the wider community through being environmentally friendly, promoting staff wellbeing and engaging with local communities on a range of issues.

Anti-corruption and Anti-bribery

NICTS is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within the Agency, 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. NICTS will take proportionate steps to recover any assets lost as a result of fraud, corruption or

theft. NICTS 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 in the context of managing a wider range of risks. NICTS 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.



Peter Luney
Accounting Officer
19 June 2018

PART 2 ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how the Agency meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes.

1. Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the Agency's governance structures and how they support the achievement of objectives. It includes:

- a. the Directors report;
- b. Statement of Accounting Officers Responsibilities; and
- c. Governance Statement.

2. Remuneration and Staff Report

This sets out the Agency's remuneration policy for directors, reports on how it 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 users see as key to accountability.

3. Assembly Accountability and Audit Report

This brings together the key Assembly accountability documents. It comprises:

- a. regularity of expenditure;
- b. Assembly accountability disclosures; and
- c. Certificate and Report of the C&AG to the Assembly.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Agency Board

The work of the Agency is co-ordinated and monitored by the NICTS Agency Board (the Board). The role of the Board is to provide direction to the Agency in the discharge of its responsibilities.

The Acting Chief Executive, Peter Luney, is the Board Chair and the Agency's Accounting Officer. Peter is supported by the Heads of Court Operations, Tribunals and Enforcement, Corporate Services, two independent Board members, a Departmental representative and four judicial attendees.

Membership of the Board is shown below – members were in post for the period covered by these accounts unless otherwise stated:

- Acting Chief Executive, **Peter Luney**;
- Head of Court Operations, **Elaine Topping**;
- Acting Head of Tribunals and Enforcement, **Jim Coffey**;
- Head of Corporate Services, **Sharon Hetherington**;
- a DoJ representative, **Mr David A Lavery CB**; and
- Independent members **Colm McKenna (From 1 April 2017 – 30 September 2017)**, **Nicole Lappin (from 1 October 2017 – 31 March 2018)** and **Graham Dalton (from 1 October 2017 – 31 March 2018)**.

Mr **Colm McKenna** joined the Board in May 2011, with his contract extended in April 2014 running until 31 March 2016 and extended again by a further one year to 31 March 2017. The contract was extended again for a further six months and expired on 30 September 2017. Mr McKenna was a member of the Agency's Finance Committee, Chair of the Audit and Risk Committee and the CFO Judicial Liaison Committee (in which he continues to sit).

Ms **Nicole Lappin** joined the Board in October 2017. Her contract will run until 30 September 2020, with the possibility of a one year extension. Ms Lappin is also the Chair of the Audit and Risk Committee.

Mr **Graham Dalton** joined the Board in October 2017. His contract will run until 30 September 2020, with the possibility of a one year extension. Mr Dalton also sits on the Agency's Finance Committee and the Transformation Board.

The **Judicial Representatives** are nominated by the Lord Chief Justice and keep the Board informed of the views of the Judiciary on NICTS and its operations. The Judicial Representatives are:

The Right Honourable Lord Justice Deeny;

His Honour Judge McFarland, Recorder of Belfast and Presiding County Court Judge;

District Judge Bagnall, Presiding District Judge (Magistrates' Courts); and

Mr John Duffy, President of the Appeals Tribunal.

The Board meets quarterly and is responsible for the oversight of NICTS performance. It has specific functions in relation to finance, planning and performance which are set out in the Agency Framework Document.

Other Committees

The work of the Board is supported by a Finance Committee and the Audit and Risk Committee.

The Chief Executive is supported by three Grade 6 staff who are responsible for the following business areas:

Court Operations (Elaine Topping)

Court Operations is responsible for providing administrative support for criminal, civil and family court business and CSNI. The courts deal with approximately 80,000 criminal, civil and family cases each year. Coroners deal with around 4,200 deaths reported to them and hold around 125 inquests per year.

Tribunals and Enforcement (Jim Coffey)

Tribunals and Enforcement Division is responsible for providing the administrative support for the majority of Northern Ireland's tribunals¹ and PCNI. It is also responsible for EJO, which incorporates the Court of Judicature Northern Ireland Taxing Office.

Tribunals and PCNI hear around 10,000 cases each year. EJO receives approximately 11,000 notices of intent to enforce a judgment and 6,000 applications to enforce judgments are lodged with EJO annually. The Taxing Office receives 1,300 applications for taxation of legal costs in respect of civil cases and appeals to the court of appeal.

NICTS also provides administrative support for a number of UK-wide tribunals sitting in Northern Ireland, including Tax Tribunal, Immigration and Asylum Tribunal, Information Tribunal and the Upper Tribunal (Administrative Appeals Chamber).

¹ Including the Appeals Tribunal and Rent Assessment Tribunal, under the terms of an Agency Agreement with DfC

Corporate Services (Sharon Hetherington)

Corporate Services support NICTS to make efficient use of resources and to deliver open and transparent accounting practices. The Division's remit includes management of NICTS finances, estate maintenance, security, procurement, contract management, the operation of CFO, information assurance and the central management function.

Register of Interests

A register of interests is maintained by NICTS and details of any significant interests which may conflict with Board Members' management responsibilities can be found in Note 23 to the accounts.

Reporting of Complaints

The Agency's complaints procedure is designed to address complaints regarding the quality of service provided by its officials. NICTS publish a set of Customer Service Standards that outline the minimum standard of service that could be expected.

Complaints are handled in the Agency's Central Management Unit and can be made in writing to:

Communications Group
Northern Ireland Courts and Tribunals Service
Laganside House
23-27 Oxford Street
BELFAST
BT1 3LA

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001, DoF has directed NICTS to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICTS and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Financial Reporting Manual (FrM) and in particular to:

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FrM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of DoJ has designated the Acting Chief Executive of NICTS as the Accounting Officer of NICTS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, (keeping proper records and for safeguarding the Agency's assets), are set out in the Accounting Officers' Memorandum in 'Managing Public Money in Northern Ireland' (MPMNI) issued by DoF.

The Chief Executive of NICTS is responsible for the maintenance and integrity of the information on the NICTS website.

The Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

So far as the Accounting Officer of NICTS is aware, there is no relevant information of which the Agency's auditors are unaware. The Accounting Officer has taken all the steps that ought to have been taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.

NICTS Governance Statement 2017-18

SCOPE OF RESPONSIBILITY

NICTS is an executive Agency of DoJ sponsored by the Access to Justice Directorate. As an Agency of DoJ, NICTS operates under a Framework Document that has been agreed by DoJ and DoF. The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of NICTS.

As Acting Chief Executive I am responsible for the day-to-day operation and administration of NICTS and the leadership and management of its staff. I am accountable, through the Director of Access to Justice, to the DoJ Permanent Secretary. During this reporting year there has been no established Assembly in place. A new Minister of Justice will be appointed when a new Executive is established.

I am also accountable for the NICTS budget and the efficient and effective delivery of NICTS business.

The role of NICTS is to:

- provide administrative support for Northern Ireland's courts, tribunals, PCNI and PACWAC;
- support an independent Judiciary;
- provide advice to the Permanent Secretary on matters relating to the operation of the courts, tribunals, EJO and PCNI;
- enforce civil court judgments through EJO;
- manage funds held in court on behalf of minors and patients;
- provide high quality courthouses and tribunal hearing centres; and
- act as the Central Authority under certain international conventions.

Strategic Context

The 2017-18 Business Plan sets out the strategic objectives, priorities and key targets for NICTS. The annual plan is derived from the Agency Corporate Plan 2012-15, the objectives and targets of which were extended until March 2018. This approach was taken to ensure consistency of approach with DoJ and the wider NICS. A new Department of Justice Corporate Plan for 2018-19 onwards is being developed, together with the 2018-19 Business Plan, and will be agreed once there is a Minister in place.

During 2017-18 NICTS focused on two key priorities; continuing to deliver our business objectives and performance standards; and taking forward a Courts 2020 Review to provide a framework for NICTS to continue to develop and implement organisational change. The Agency Board ("the Board") reviewed progress against the 2017-18 Business Plan throughout the year and progress is reported at Annex D of this Annual Report.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework is the system which ensures the effectiveness of the direction and control of NICTS. As Accounting Officer I have established a governance framework and management structure to support me in the management of the key risks of NICTS. The framework is not designed to eliminate all risk but to manage risk to a reasonable level. The framework is based on an ongoing process which is designed to identify and prioritise the risks to the achievement of policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them efficiently, effectively and economically.

GOVERNANCE FRAMEWORK AND MANAGEMENT STRUCTURE

During 2017-18, NICTS complied with the key principles of the Corporate Governance in Central Government Departments – Code of Good Practice (NI) 2013, which it considered applicable. The key management structures which support the delivery of effective corporate governance in NICTS are the:

- Agency Board;
- Finance Committee;
- Audit and Risk Committee; and
- Strategic Planning Group.

Agency Board

The Board provides a vital role in shaping and directing the organisation to ensure it is equipped to deliver high quality and cost effective services to court and tribunal users. The Board is responsible for business and corporate planning and reporting and the oversight of the functions of NICTS including finance, planning, performance, and policy initiatives. The Board operates within the parameters of the Agency Framework Document and the agreed Terms of Reference. The Framework Document is published on the NICTS website.

The Board has established two formal sub-Committees to assist it in carrying out its functions – the Finance Committee and the Audit and Risk Committee.

There were no Ministerial Directions given during the year.

The Board met on four occasions during the 2017-18 financial year. At the beginning of each Board meeting members are asked by me as the Chair to declare any conflicts or potential conflicts of interest. To allow members to prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed five working days before the meeting. During 2017-18 no new conflicts of interest were raised. Details of any significant interests which may conflict with Board members management responsibilities can be found in Note 23 to the accounts.

Attendance by members is shown below for the four meetings of the Board during 2017-18:

Member	Position	Attendance
Mr P Luney	Acting Chief Executive (Chair)	4
Mrs E Topping	Head of Court Operations	3
Mr J Coffey	Acting Head of Tribunals & Enforcement	3
Ms S Hetherington	Head of Corporate Services	4
Ms N Lappin	*Non-Executive Member	2
Mr G Dalton	**Non-Executive Member	2
Mr C McKenna	***Non-Executive Member	2
Mr D A Lavery CB	DoJ Representative	4
The Right Honourable Lord Justice Deeny	Judicial Representative	2
His Honour Judge McFarland (Recorder of Belfast and Presiding County Court Judge)	Judicial Representative	2
District Judge Bagnall (Presiding District Judge (Magistrates Court))	Judicial Representative	4
Mr J Duffy (President of the Appeals Tribunal)	Judicial Representative	4

*Ms Nicole Lappin joined the Board in October 2017 under a 3 year contract which will expire on 30 September 2020, with the possibility of a one year extension.

**Mr Graham Dalton joined the Board in October 2017 under a 3 year contract which will expire on 30 September 2020, with the possibility of a one year extension.

***Mr Colm McKenna resigned from the Board on 30 September 2017.

Key work of the Board during the year included:

- review of key risks to achievement of NICTS objectives 2017-18;
- review of resourcing implications and discussions on efficiency savings across the Agency, including the Civil Fee Review Project, review of progress of the Transformation Programme which commenced during 2017-18 and the Agency's five year Draft Digital Strategy;
- review of Court Estate noting that the SIB has been engaged to take forward a Strategic Outline Case;
- review of the Agency's Audit and Risk Report;
- review of the Agency's Sick Absence Report;
- review of GDPR to assess compliance; and
- review of the transfer of TAS which continues to be delayed due to the political impasse.

Finance Committee

The Finance Committee (“the Committee”) assist the Board with financial oversight and budgetary control. The role of Finance Director in NICTS is performed by the Head of Corporate Services who advises the Committee on any material issues concerning financial oversight and budgetary control.

The Terms of Reference for the Committee are included in the Agency Framework Document.

Attendance by members is shown below for the four meetings of the Finance Committee during 2017-18:

Member	Position	Attendance
Mr P Luney	Acting Chief Executive (Chair)	3
Mrs E Topping	Head of Court Operations	4
Mr J Coffey	Acting Head of Tribunals and Enforcement	4
Ms S Hetherington	Head of Corporate Services	4
Mr G Dalton	*Non-Executive Member	2
Mr C McKenna	**Non-Executive Member	2
The Right Honourable Lord Justice Deeny	Judicial Representative	4

*Mr Graham Dalton joined the Board in October 2017 under a 3 year contract which will expire on 30 September 2020, with the possibility of a one year extension.

**Mr Colm McKenna resigned from the Board on 30 September 2017.

After each meeting the Finance Director provides a highlight report to the Board covering the main issues discussed by the Committee.

Audit and Risk Committee

The role of the Audit and Risk Committee is to provide the Board and myself as Accounting Officer, with independent assurance over the adequacy and effectiveness of the established internal control and risk management systems within NICTS. The Audit and Risk Committee monitor the effective implementation of all agreed audit recommendations; examine the effectiveness of the overall risk management process, and receive assurance from the NICTS Risk Co-ordinator.

The Audit and Risk Committee operates in accordance with the Audit Committee Handbook, published on 29 May 2013 and updated on 1 April 2018. Although the Audit and Risk Committee primarily considers matters within NICTS, it also ensures that the inter-relationships between it and the Departmental Audit and Risk Committee are documented and agreed, particularly where assurance is provided on matters which properly support the Departmental Governance Statement.

The Terms of Reference for the Audit and Risk Committee are included in the Framework Document.

Attendance by members is shown below for the five meetings of the Audit and Risk Committee during 2017-18:

Member	Position	Attendance
Ms N Lappin	*Chair (from 1 October 2017)	3
Mr C McKenna	**Chair (until 30 September 2017)	2
Mr Justice Burgess	Judicial Representative	4
Mr G Wilkinson	Non-Executive Member	3

*Ms Nicole Lappin joined the Board in October 2017 under a 3 year contract which will expire on 30 September 2020, with the possibility of a one year extension.

**Mr Colm McKenna resigned from the Board on 30 September 2017.

After each meeting the Chair of the Audit and Risk Committee presents a report to the Board covering the main issues discussed by the Committee. Matters considered include:

- Changes to the Corporate Risk Register;
- NIAO Reports to Those Charged with Governance (RTTCWG);
- Internal Audit reports;
- Internal Audit work programme;
- Head of Internal Audit's Annual Assurance Statement;
- Annual Reports and Accounts; and
- Financial Governance updates.

Strategic Planning Group

The Strategic Planning Group (SPG) is the decision making group for the senior executive team within NICTS. SPG takes a strategic look at the work of NICTS and considers resources, budget, business performance and operational issues. The Group meets once a month, and is attended by a representative from NICS-HR. Further meetings of the Group can be called as and when required.

RISK MANAGEMENT AND INTERNAL CONTROL

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public funds and the NICTS assets for which I am personally responsible, in accordance with the responsibilities assigned to me in MPMNI.

Internal Control

The system of internal control is not designed to eliminate all risk of failure but to manage risk to a reasonable level to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control has been in place in NICTS for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts, and accords with DoF guidance.

NICTS has in place a range of policies and processes to ensure that it is compliant with MPMNI, policies and guidance issued by DoJ and financial delegations granted by DoJ and DoF.

Risk Management

Risk management forms a central element of the governance framework. Risk management is championed by the Head of Corporate Services, with the Agency Board owning the overall risk management framework.

A Risk Management Policy is in operation and Risk Co-ordinators are in place throughout NICTS. They are responsible for promoting, supporting and co-ordinating risk management in their business areas. Risk management responsibilities are included in job descriptions and there is support and provision of guidance on risk issues from the Central Management Team.

Emerging risks are identified, considered and managed, and all risks are assessed in terms of their probability of occurrence and impact on the achievement of objectives and then scored and reported on accordingly.

The corporate risk appetite is set by the Board and used as a starting point for setting levels of risk tolerance. Managers and Heads of Division escalate risks which have exceeded specific risk appetites to the next level of management. Risk management is considered formally by senior management through quarterly reviews of the Corporate Risk Register and Corporate Plan monitoring reports.

Risk is also considered by the Audit and Risk Committee at each of its quarterly meetings. NICTS operate a process to enable escalation of risks to the DoJ Corporate Risk Register if risks breach the organisation's tolerance level.

Managing the Risk of Fraud

NICTS comply with the DoJ Anti-Fraud & Anti-Bribery Policy and Response Plan and the DoJ Whistleblowing Policy. A fraud log is maintained and presented periodically to NICTS Audit and Risk Committee and updates are provided to Departmental Audit and Risk Committee.

Any new regulations or Best Practice Guidance issued from DoJ, DoF or NIAO is considered.

Information Assurance

NICTS is committed to ensuring personal data is appropriately protected and managed in accordance with data protection legislation and DoJ policies and procedures. NICTS is represented on a number of departmental groups including the Information Risk Owners' Council, Accreditation Panel and Security Managers' Forum.

Data incidents are reported and managed in line with the DoJ Security Incident reporting policy. During 2017-18, a total of 23 incidents occurred; 12 of which were reported to DoJ. Of the twelve, two related to data breaches; nine for data loss by a postal provider and one related to data being inadvertently destroyed by a contractor. All were investigated with the findings reviewed to identify any lessons learned and where appropriate, existing processes amended. One data breach incident was notified to the ICO during this period.

NICTS is represented at the DoJ GDPR Coordinators Group which is a sub-group of the Information Risk Owners' Council. The NICTS GDPR Co-ordinator is responsible for delegating GDPR implementation tasks within the Agency arising mostly from the NICS work programme. Progress updates on NICTS preparations for GDPR are provided to the Audit and Risk Committee and the Agency Board.

The accreditation of the network and infrastructure are the responsibility of DoF's Enterprise Shared Services, who have confirmed that these elements of its service are fully accredited.

NICTS is responsible for only accrediting the aspects of the service that relate to line of business systems. Typically this relates to the operating system, database and application software. NICTS is currently working to accredit all our specific line of business systems:

- Accreditation Certificates have been issued by DoJ for For The Record (digital audio recording), Sydney Enterprise (library system), ID Pro (staff vetting), JASPAR (judicial appointments), Badgemaker (Staff passes), ICOS (with conditions) and Coroners Case Management System.
- NICTS has been granted Interim Accreditation for CFO, EJO and the Office of Care and Protection (OCP). The remaining RMAD for On-line services will be considered by DoJs Accreditation Panel at the end of June, along with a review of EJO and OCP where it is hoped these will both move to Full Accreditation.

A series of unannounced clear desk inspections were completed across the NICTS estate.

NICTS continues to monitor and review the application of Information Assurance policies to ensure data is handled appropriately and that any associated risks are identified and managed.

REVIEW OF EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework. The Board and I receive regular reports from the Audit and Risk Committee concerning internal control, risk and governance. At the end of the reporting period, Heads of Division reviewed the stewardship statements completed by Business Managers to create a series of divisional statements from which I have been able to take assurance in respect of the management of risk and the achievement of objectives.

Internal Audit operated, and continues to operate, to the Public Sector Internal Audit Standards. It submitted and will continue to submit regular reports, including an independent opinion by the Head of Internal Audit, on the adequacy and effectiveness of the NICTS system of risk management, control and governance.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within NICTS who have responsibility for the development and maintenance of the internal control framework as well as the comments made by the external auditors in their RTTCWG and other reports.

The Head of Internal Audit has provided overall **Satisfactory Assurance** based on the work carried out during the year. An audit plan which included nine separate reviews was agreed in March 2017 and progress against the plan was monitored by the Audit and Risk Committee throughout the year. In total, seven reviews were completed, with one transferred to NICS Internal Audit and another in the form of attendance at a project board, rather than a formal review.

While it is the Head of Internal Audit's overall assessment that the control environment within NICTS is 'Satisfactory', the follow up audit of OSO was given limited assurance. A further follow up will be undertaken during 2018-19 to ascertain whether or not the recommendations emanating from this review have been implemented. No other limited assurance ratings remain at year end. The implementation of audit recommendations is subject to internal audit monitoring and regular updates on priority one recommendations are provided to the Audit and Risk Committee.

Agency Board Effectiveness

Information presented to the Board is fundamental for its assessment and understanding of the performance of NICTS. 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 or take action on and allows the Board to effectively carry out its duties. A Board evaluation exercise was expected to be completed during 2017-18, however as there has been significant change at Board level throughout the year it was considered it would be more appropriate to carry out a Board Effectiveness Review in early 2018-19.

Budget 2018-19

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28th March 2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017-18 financial year and a vote on account for the early months of the 2018-19 financial year as if they were Acts of the Northern Ireland Assembly.

NICTS has a profiled 2018-19 budget allocation and will monitor spend closely to try and live within the resource and capital allocations provided. NICTS will continue to complete internal Monitoring Rounds to ensure forecast spend is up-to-date.

SIGNIFICANT INTERNAL CONTROL ISSUES

The following issues have been identified as significant to the organisation during 2017-18 as a result of the assurance activity. Each of the control issues has been subjected to rigorous review and plans are in place to address identified weaknesses.

Official Solicitors Office Cases (OSO)

Formal reporting arrangements were introduced in 2013 to ensure that the NICTS Accounting Officer, OLCJ and Internal Audit are alerted to any incidences of financial mismanagement, potential fraud and activity likely to result in failure to protect patient's interests, adverse criticism and loss of confidence in NICTS, OLCJ and OSO.

The Lord Chief Justice has identified a High Court Judge to provide judicial leadership and oversight of the OCP (Patients section) and OSO.

The previous Acting Official Solicitor provided regular updates to the Departmental and NICTS Audit Committee on investigations into a case where NICTS, based on legal advice, reimbursed patients costs. Further legal matters were settled at mediation on 8 November 2017 with final approval being given by the Court on 21 November 2017. Funds have been reinstated to the patient's account.

Internal Audit carried out a review of OSO during 2015-16 which resulted in limited assurance. Internal Audit was unable to verify the completeness of the case workload within OSO as there is no independent record that can be used to reconcile the composition of the current minors and patients spreadsheet based lists. The introduction of an IT workflow based solution to capture all case file details and act as a centralised information hub allowing for more efficient working practices and greater visibility of cases within OSO is recognised as important. It was not progressed during 2016-17 as work was ongoing with BCS to review the office and as NICTS was seeking to make a permanent appointment to the post of Official Solicitor. BCS has completed its review of OSO and an action plan based on the recommendations has been shared with the Chief

Executive. A permanent appointment was made to the post of Official Solicitor on 27 November 2017 and as part of her remit work on a new IT system is progressing.

Legacy Inquests

The programme of 53 legacy inquests continues to create a budgetary pressure in the absence of political agreement and funding for dealing with the past. The current arrangements for dealing with legacy inquests continue to be managed at risk by DoJ.

Progressing the Lord Chief Justice's five year plan to complete the outstanding inquests, with its associated reforms, is wholly dependent on funding for all justice bodies involved in the legacy inquest function being made available by Her Majesty's Government (HMG) as agreed under the Stormont House Agreement (SHA).

A recent judicial review judgment directs that legacy inquests should be decoupled from the wider legacy package and that DoJ should progress a funding bid to HMG for legacy inquests.

NICTS is working with DoJ and other relevant criminal justice organisations to develop a refreshed composite bid to access funds set aside under the SHA for legacy matters, for consideration by HMG.

AUDIT RECOMMENDATIONS

Public Accounts Committee (PAC)

The C&AG's report to the Assembly on the Trust Statement as at 31 March 2013 was considered by PAC in October 2014. The PAC report was published on 21 January 2015 and contained six recommendations for DoJ, calling for reform of the system for collecting financial penalties. The report urged that reform must be implemented as a matter of urgency to address the problem of fine default.

NICTS continues to work with DoJ and PSNI to implement the recommendations included in the report and of the six recommendations four have been fully implemented. Plans are in place to significantly reform the existing fine enforcement processes by implementing a FCS that will considerably address the remaining recommendations.

It was planned that the new FCS would be operational from April 2017, however this was delayed due to the inability to progress the required secondary legislation until the NI Executive/Assembly is re-established. In the absence of a functioning Executive, the required secondary legislation has been progressed via the Departments (DoJ and DfC), and the new FCS commenced on 1 June 2018.

In the 2016-17 audit of the Trust Statement, NIAO reported that the warrant reconciliations were completed twice in a 16 month period due to resource constraints. PSNI and NICTS are working together to streamline the current arrangements but this has been difficult due to the time-consuming, manual processes involved. It has been agreed that the reconciliation process will be carried out quarterly in the interim.

In May 2015, the Public Accounts Committee published its 'Report on Managing and Protecting Funds Held in Court', which made six recommendations relating to the improvement of governance structures and the progress of business modernisation. A Memorandum of Reply was published in July 2015. Of the six recommendations in the report, four have been fully implemented. A programme of work is ongoing to meet the remaining two recommendations. One recommendation is in relation to establishing the appropriate oversight arrangements for CFO in statute. The second recommendation relates to NICTS consulting on policy options in respect of the extent to which funds should be held in court. A consultation document is well-developed and it is hoped to issue this later in 2018-19. It is expected that full implementation of the recommendations will require legislative reform, so is dependent on the political institutions.

Internal Audit

There are currently four priority one Internal Audit recommendations that have not yet been implemented. The 2015-16 audit of the OSO recommended the introduction of an IT workflow based solution to capture all case file details and act as a one stop shop for all administrative processing and management monitoring/review. An Official Solicitor has now been appointed and is taking this forward. Internal Audit is satisfied that appropriate action is being taken to progress this outstanding recommendation.

The audit of OCP during 2017-18 provided an overall satisfactory assurance based on the level work that is currently being done by OCP in ensuring annual reviews on the patients' files are up to date. However, two priority one recommendations were made pertaining to clearing the current postal backlog and utilising the "brought forward" system to ensure appropriate action is taken on a timely basis following recommendations arising from annual case reviews. Internal Audit will follow up on these priority one recommendations during 2018-19.

The final priority one recommendation relates to the use of the till float in Laganside Courts' Front of House. The cash handling procedures were to be amended and training provided to staff to reflect that only the float should be used and not personal money. A single cash handling document was issued to all staff in May 2018. Internal Audit will seek an update to this recommendation in 2018-19.

All outstanding recommendations are monitored by the Audit and Risk Committee every six months and Internal Audit is satisfied that appropriate action will be taken on these outstanding priority one recommendations.

The 2018-19 Annual Audit Plan was endorsed by the Audit and Risk Committee who monitor progress during the year towards completion of the plan.

External Audit

I am pleased to report NIAO made no management points in the RTTCWG on the 2016-17 NICTS Agency Accounts.

NIAO published a report 'Speeding up Justice: Avoidable delay in the Criminal Justice system' on 27 March 2018. There are six recommendations in the report for DoJ and any relevant actions for NICTS will be considered and taken forward within 2018-19.

ACCOUNTING OFFICER STATEMENT ON ASSURANCE

NICTS has established a 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 and by an Independent Internal Audit team operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering all NICTS systems over time. The Head of Internal Audit provides me with an Annual Report and her professional opinion on the level of assurance that she can provide based on the work done. For the 2017-18 year she has provided overall Satisfactory Assurance.



Peter Luney
Accounting Officer
19 June 2018

REMUNERATION REPORT

Remuneration Policy

The Senior Civil Service (SCS) remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have 8 pay points) to allow progression through the pay scales within a reasonable period of time.

The pay remit (for the NI public sector and SCS) is normally approved by the Minister of Finance but in the absence of an Executive the DoF Permanent Secretary has set the 2017-18 NI public sector pay policy in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

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

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive Officer and the Agency Board. Of those reported only Ronnie Armour and Peter Luney fall within SCS. Staff at Grade 6 and below fall within the pay settlement provided by the NICS Comprehensive Pay and Grading Review.

Remuneration (including salary) and pension entitlementsAudited information

Officials	Salary £000	Benefits in kind (to nearest £100)	*Pension Benefits £000	2017-18
				Total £000
Mr P Luney Acting Chief Executive Officer	65-70	-	46	110-115
Mrs E Topping Head of Court Operations Division	55-60	-	15	70-75
Mr J Coffey Acting Head of Tribunals & Enforcement Division	55-60	-	36	90-95
Ms S Hetherington Head of Corporate Services Division	60-65	-	22	85-90
Mr C McKenna** Non-Executive Member (01/04/2017 – 30/09/2018) (Fee per attendance)	5-10	-	-	5-10
Ms N Lappin** Non-Executive Member (01/10/2017 – 31/03/2018) (Fee per attendance)	0-5	-	-	0-5
Mr G Dalton** Non-Executive Member (01/10/2017 – 31/03/2018) (Fee per attendance)	0-5	-	-	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 include increases due to inflation or any increase or decreases due to a transfer of pension rights.*

*** Payment to the Independent Board Members is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent is not applicable. Amounts disclosed as benefits in kind relate to payments for travel and subsistence.*

Audited information

Officials	Salary £000	Benefits in kind (to nearest £100)	*Pension Benefits £000	2016-17
				Total £000
Mr R Armour** Chief Executive Officer (01/04/2016 – 31/01/2017)	55-60 (65-70 FYE)	-	29	85-90
Mr P Luney Acting Chief Executive Officer (01/02/2017 – 31/03/2017) Head of Court Operations Division (01/04/2017 – 31/01/2017)	60-65	-	30	90-95
Mrs E Topping Acting Head of Court Operations Division (13/02/2017 - 31/03/2017) Head of Tribunals & Enforcement Division (01/04/2016 – 12/02/2017)	55-60	-	34	90-95
Mr J Coffey Acting Head of Tribunals & Enforcement Division (13/02/2017 – 31/03/2017)	5-10 (55-60 FYE)	-	26	80-85
Ms S Hetherington Head of Corporate Services Division	60-65	-	24	85-90
Mr C McKenna*** Non-Executive Member (Fee per attendance)	5-10	-	-	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 include increases due to inflation or any increase or decreases due to a transfer of pension rights.

**In line with the SCS pay award arrangements staff who, after assimilation to the new pay scales, received less than 1% consolidated increase to their salary received a non-consolidated pensionable payment to bring them up to the equivalent value of 1%.

*** Payment to the Independent Board Members is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent is not applicable. As Non-Executive Member, there are no entitlements to pension or other contributions from the Agency.

Salary

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

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HMRC as a taxable emolument.

Pension Entitlements

Audited information

Officials	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	(Nearest £100)
Mr P Luney Acting Chief Executive Officer	25-30 plus 60-65 lump sum	0-2.5 plus 0-2.5 lump sum	388	339	25	-
Mrs E Topping Head of Court Operations Division	25-30 plus nil lump sum	0-2.5 plus nil lump sum	420	389	5	-
Mr J Coffey Acting Head of Tribunals & Enforcement Division	25-30 plus 65-70 lump sum	0-2.5 plus 0-2.5 lump sum	461	411	23	-
Ms S Hetherington Head of Corporate Services Division	5-10 plus 10-15 lump sum	0-2.5 plus (0-2.5) lump sum	123	104	10	-

No pension benefits are provided to the Independent Board Members.

NICS Pension Schemes

Pension benefits are provided through NICS pension schemes which are administrated by Civil Service Pensions (CSP).

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

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

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

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2017 was 3% and HM Treasury has announced that public service pensions will be increased accordingly from April 2018.

Employee contribution rates for all members for the period covering 1 April 2018 to 31 March 2019 are as follows:

Scheme Year 1 April 2018 to 31 March 2019

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – Classic members or classic members who have moved to alpha	Contribution rates – All other members
From	To	From 1 April 2018 to 31 March 2019	From 1 April 2018 to 31 March 2019
£0	£15,000.99	4.60%	4.60%
£15,001.00	£21,422.99	4.60%	4.60%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee

does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

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

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Compensation on early retirement or for loss of office

There were no compensation benefits paid by the Agency to any senior staff members during the financial year (2016-17: £Nil).

Fair Pay Disclosure

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

Audited information

Officials	2017-18		2016-17	
	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
Band of Highest Paid Director's Total Remuneration	65-70		65-70	
Median Total Remuneration	£26,413		£23,484	
Ratio	2.56		2.87	

The banded remuneration of the highest-paid director in the financial year 2017-18 was £65,000 - £70,000 (2016-17: £65,000 - £70,000). This was 2.56 times (2016-17: 2.87) the median remuneration of the workforce, which was £26,413 (2016-17: £23,484). In 2017-18, one employee (2016-17: one) received remuneration in excess of the highest paid director.

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

STAFF REPORT

Staff Costs

Staff costs comprise:

<u>Audited Information</u>	Permanently Employed Staff	Others	2017-18 Total	2016-17 Total
Wages and Salaries	17,720	1,054	18,774	17,971
Social Security costs	1,692	-	1,692	1,618
Other pension costs	3,907	-	3,907	3,839
Total	23,319	1,054	24,373	23,428

The NICS main pension schemes are unfunded multi-employer defined benefit schemes but NICTS is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2018.

For 2017-18, employers' contributions of £3,982k were payable to the NICS pension arrangements (2016-17: £3,938k) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of alpha from April 2015. For 2018-19, the rates will also range from 20.8% to 26.3% however the salary bands differ. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9k (2016-17: £10k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay (2016-17: 8% to 14.75%). Employers also match employee contributions up to 3% of pensionable pay. In addition, employers' contributions of 0.5% of pensionable pay are 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.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year is set out below. These figures include senior management, staff on secondment or loan into NICTS and agency/temporary staff, but do not include staff on secondment out of NICTS. There

were a further 114 (2016-17: 108) whole time equivalent staff employed by DfC to support TAS which is administered by NICTS. The majority of staff (87%) are located in frontline service posts in courthouses, tribunal hearing centres, PCNI, EJO or in CFO.

<u>Audited Information</u>	Permanently Employed Staff	Others	2017-18 Total	2016-17 Total
Court Operations	393	30	423	423
Tribunals and EJO Operations	119	4	123	124
Office of the Lord Chief Justice	26	1	27	32
Corporate Services	78	10	88	82
Total*	616	45	661	661

* Of the total, one whole-time equivalent member of staff was engaged on a capital project (2016-17: one).

Further information on NICTS staff profile can be found at Annex C.

Staff Composition

The staff composition as at 31 March 2018 in NICTS was as follows:

	Female Staff	Male Staff	Total Staff
Agency Board	2	2	4
Senior Civil Service	1	1	2
Employees	481	199	680

Exit packages

Audited Information

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	nil (2016-17: 1)	nil (2016-17: nil)	nil (2016-17: 1)
£10,000 - £25,000	nil (2016-17: nil)	nil (2016-17: nil)	nil (2016-17: nil)
£25,000 - £50,000	nil (2016-17: 2)	nil (2016-17: nil)	nil (2016-17: 2)
£50,000 - £100,000	nil (2016-17: nil)	nil (2016-17: nil)	nil (2016-17: nil)
£100,000 - £150,000	nil (2016-17: nil)	nil (2016-17: nil)	nil (2016-17: nil)
£150,000 - £200,000	nil (2016-17: nil)	nil (2016-17: nil)	nil (2016-17: nil)
Total number of exit packages	nil (2016-17: 3)	nil (2016-17: nil)	nil (2016-17: 3)
Total Resource Cost £	£nil (2016-17: £99,367)	£nil (2016-17: £nil)	£nil (2016-17: £99,367)

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 NICTS has agreed early retirements, the additional costs are met by the Agency 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.

Ill-Health retirement

During 2017-18 one individual (2016-17: six) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,508 (2016-17: £17,507).

Judicial Office Holders

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

The Judicial Pension Scheme (JPS) 2015 and Northern Ireland Judicial Pension Scheme (NIJPS) 2015, were introduced on 1 April 2015. These mirror each other and, as far as possible, other public service career average pension schemes. From 1 April 2015 NICTS pay contributions in relation to salaried and fee-paid excepted and devolved salaried Judicial Office Holders appointed by DoJ. A valuation of the JPS resulted in a contribution rate for Sponsoring Department of 38.2%, plus an additional 0.25% as a contribution towards the administrative costs of the schemes paid to Ministry of Justice (MoJ).

The Fee-Paid Judicial Pension Scheme (FPJPS), 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 does not recognise a liability in respect of back payments or the pension liability arising pursuant to O'Brien litigation claims. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM Table 6.2, NICTS accounts for employer contributions payable to the JPS for eligible fee paid judicial office holders, as they are incurred.

Provisions have been recognised in these accounts for the liability to fee paid judicial office holders in respect of the Judicial Service Award, as this liability is not covered by the Judicial Pension Schemes and the governing legislation.

A number of claims by judicial office holders have been made against DoJ under the Part Time Workers (Prevention of Less Favourable Treatment) Regulations (Northern Ireland)

2000. NICTS has also received a number of claims from judicial office holders claiming discrimination on the grounds of age and indirect discrimination on the grounds of sex in respect of NJPS and NIJPS.

Further details of these provisions can be found in Note 16 to the accounts.

Managing Attendance

Staff sickness and absence is managed in accordance with the NICS Inefficiency Sickness Absence Policy. Absence levels across DoJ are managed against indicators which are set for each of the agencies and contribute to the overall Departmental target.

The average days lost per whole time equivalent member of staff for 2017-18 has been estimated at 10.0 days (2016-17: 12.8 days). Official finalised figures will be available on publication of the "Sickness Absence in the Northern Ireland Civil Service 2017-18" report later this year.

Staff in NICTS are supported by both the NICS Welfare Services and the Employee Assistance Programme. Feedback from staff continues to be very positive on the support provided by Welfare Services and the advice and professional counselling services provided by Carecall. All staff who are on long term sickness or any stress related absences are encouraged to contact these services.

Responsibility for recording sickness absence rests with line managers and decisions on the action to be taken, for example the issue of an inefficiency warning, rests with NICS HR working closely with staff and line managers.

STAFF POLICIES

Equal Opportunities and Diversity

The Agency is proactive in compliance with fair employment, sex discrimination and race discrimination legislation in Northern Ireland. It is committed to the promotion of good relations amongst staff and service users. It promotes a working environment where all members of staff are treated with dignity and respect. The Agency promotes equality of opportunity and supports the commitments set out in the DoJ Equality Scheme.

Employment of Disabled Persons

NICTS aims to ensure that people with a disability suffer no detriment in recruitment and advancement, and that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and amendments made under the Act. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities.

Learning and Development

NICTS is committed to ensuring staff have the right skills and knowledge to perform their jobs effectively. Opportunities for learning and development are offered to staff through the Agency's Corporate Learning Plan which is monitored by the Learning and

Development Committee. As well as NICS generic training provided by the Centre for Applied Learning, other training specific to specialist roles is also offered as continuous professional development.

Pay, Workforce Planning and Performance Management

Under the Civil Service (NI) Order 1999, pay arrangements for NICTS are the responsibility of DoF. It continues work to strengthen its approach to workforce planning. Current pay scales are available online. NI Public Sector pay guidance for 2017 is now in place and formal negotiations with Trade Unions on the 2017 pay award are ongoing.

All staff use the performance management module on HR Connect. Staff can either access the performance management form online or in a downloadable format.

Pensions and Early Departure Costs

Present and past employees of NICTS are covered by Principal Civil Service Pension Scheme (PCSPS (NI)). NICTS meet the costs of pensions provided for the staff they employ by the payment of charges called Accrued Superannuation Liability Charges (ASLC). This is charged to the Statement of Comprehensive Net Expenditure (SoCNE) on an accrued basis annually.

Employee Involvement

The NICTS Staff Engagement Plan (2017-19) was launched on 3 January 2018 to consolidate any issues still to be progressed following a review of the NICTS Stress Management Action Plan in June 2017. There are four key themes in the plan, which reflect communication, training, change management as well as roles and responsibilities. Although a number of initiatives had already been delivered (for example the facilitation of structured training sessions, as well as the development and use of resources), the main focus of the revised plan is those actions that can be addressed at an individual level or which will be picked up by ongoing projects or initiatives (for example Courts Transformation Portfolio and BCS Review of Court Operations). A formal review of the plan has been scheduled for November 2018.

Expenditure on consultancy and temporary staff

NICTS did not incur any expenditure on external consultancy in the financial year (2016-17: nil).

The following details the expenditure incurred on temporary staff:

	2017-18	2016-17
	£'000	£'000
Charged to Administration	157	147
Charged to Programme	897	439
Total	1,054	586

The increase of 80% from 2016-17 to 2017-18 was due to the increased work on legacy cases, a general increase in the use of agency staff for maternity leave cover and to fill posts until a permanent replacement is made.

Off-Payroll Payments

As required by DAO (DFP) 08/12 Tax Arrangements of Public Sector Appointees, NICTS undertook a review of the arrangements for making payments to individuals engaged by NICTS who are paid fees totalling over £58,200 in the financial year and are not included in the PAYE system. The number of off-payroll engagements is as follows:

Opening engagements at 1 April 2017	3
New engagements during 2017-18	-
Number onto NICTS payroll during 2017-18	-
Engagements ended during 2017-18	-
Number whose earnings fell below threshold in 2017-18	(1)
Closing engagements at 31 March 2018	2

OTHER ACCOUNTABILITY DISCLOSURES

REGULARITY OF EXPENDITURE (AUDITED INFORMATION)

Losses and Special Payments

The total value of losses did not exceed £250k (2016-17: did not exceed £250k) and therefore no disclosure is required.

During 2017-18, final compensation payments were made in 43 cases (2016-17: nine cases) by NICTS. The total amount of compensation paid in these cases was £1,764k (2016-17: £142k). One payment of £325k is in relation to a longstanding OSO fraud case which settled in this financial year. Another payment of £1,128k is settlement for a case successfully taken by a number of judicial office holders to an Industrial Tribunal under the Part Time Workers (Prevention of Less Favourable Treatment) Regulations (Northern Ireland) 2000.

Fees and Charges

An analysis of fees and charges from civil business services provided to external and public sector customers is as follows:

	2017-18			2016-17		
	Income £'000	Full Cost £'000	Surplus/ (deficit) £'000	Income £'000	Full Cost £'000	Surplus/ (deficit) £'000
NICTS						
- Civil Business	21,738	(26,659)	(4,921)	20,043	(27,352)	(7,309)
	21,738	(26,659)	(4,921)	20,043	(27,352)	(7,309)

Income shown is in respect of civil fee earning business and has been accounted for in accordance with MPMNI.

NICTS is committed to achieving full cost recovery for the services it provides in respect of civil court business. The income for 2017-18 represents 82% of cost recovery (2016-17: 73%).

The civil business fee recovery target above is based on expenditure net of exemptions and remissions. Applicants in receipt of certain means-tested benefits are entitled to automatic fee exemption. Total fee exemptions during 2017-18 amounted to £72.0k (2016-17: £46.1k). Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2017-18 amounted to £6.3k (2016-17: £8.9k).

Remote Contingent Liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Agency had no significant remote contingent liabilities during 2017-18 that require disclosure. Note 22 provides further details regarding the contingent liabilities that are included within the financial statements.



PETER LUNEY
Accounting Officer
19 June 2018

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 Northern Ireland Courts and Tribunals Service (NICTS) for the year ended 31 March 2018 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of NICTS's affairs as at 31 March 2018 and of the net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and the Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

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

Other Information

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

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

Opinion on other matters

In my opinion:

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

Responsibilities of the Board and Accounting Officer for the financial statements

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

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.

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

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

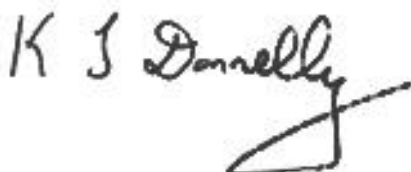
Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a long horizontal stroke extending to the right.

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

26 June 2018

PART 3 FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 March 2018

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

	Note	2017-18 £'000	2016-17 £'000
Income from sale of goods and services		-	-
Other operating income	4.1	(27,699)	(25,132)
Total Operating Income		(27,699)	(25,132)
Staff costs	3	24,373	23,428
Purchase of goods and services	4.1	44,261	45,566
Depreciation and impairment charges	4.1	7,330	7,028
Provision expense	4.1	(228)	169
Total Operating Expenditure		75,736	76,191
Net Operating Expenditure		48,037	51,059
Finance income		-	-
Finance expense	5,6	927	1,003
Net expenditure for the period		48,964	52,062
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of property, plant and equipment	9	(11,959)	(3,904)
Net (gain) on revaluation of intangible assets	10	(58)	(47)
Actuarial loss on pension liability	16	282	49
Total other comprehensive net expenditure		(11,735)	(3,902)
Comprehensive net expenditure for the period		37,229	48,160

All income and expenditure is derived from continuing operations.

The notes on pages 68 to 98 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

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

	Note	2017-18 £'000	2016-17 £'000
Non-current assets			
Property, plant and equipment	9	199,395	193,661
Intangible assets	10	1,698	1,807
Total non-current assets		201,093	195,468
Current assets			
Assets classified as held for sale	12	60	-
Trade and other receivables	14	4,907	4,450
Cash and cash equivalents	13	2,672	1,274
Total current assets		7,639	5,724
Total assets		208,732	201,192
Current liabilities			
Cash and cash equivalents	13	(410)	(379)
Trade and other payables	15	(17,925)	(15,575)
Provisions	16	(729)	(1,002)
Total current liabilities		(19,064)	(16,956)
Total assets less current liabilities		189,668	184,236
Non-current liabilities			
Provisions	16	(3,735)	(4,125)
Other payables	15	(13,798)	(15,193)
Total non-current liabilities		(17,533)	(19,318)
Total assets less total liabilities		172,135	164,918
Taxpayers' equity and other reserves			
General fund		46,959	48,139
Revaluation reserve		125,176	116,779
Total equity		172,135	164,918

Peter Luney
Accounting Officer

19 June 2018

The notes on pages 68 to 98 form part of these accounts.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

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

	Note	2017-18 £'000	2016-17 £'000
Cash flows from operating activities			
Net expenditure for the year		(48,964)	(52,062)
Adjustment for non-cash transactions	4.2	8,620	9,262
(Increase)/decrease in trade and other receivables	14	(457)	(194)
<i>Movements in receivables relating to items not passing through the SoCNE</i>		(17)	(95)
Increase/(decrease) in trade and other payables	15	955	(4,892)
<i>Movement in payables relating to items not passing through the SoCNE</i>		1,855	959
Use of provisions	16	(717)	(671)
Net cash outflow from operating activities		(38,725)	(47,693)
Cash flows from investing activities			
Purchase of property, plant and equipment	9,15	(696)	(340)
Purchase of intangible assets	10,15	(836)	(1,266)
Net cash outflow from investing activities		(1,532)	(1,606)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		34,138	41,391
From the Consolidated Fund (non-supply)		8,790	9,072
Capital element of payments in respect of SoFP PFI contracts		(1,305)	(1,214)
Net financing		41,623	49,249
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		1,366	(50)
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		24	97
Payments of amounts due to the Consolidated Fund		(23)	(97)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		1,367	(50)
Cash and cash equivalents at the beginning of the period	13	895	945
Cash and cash equivalents at the end of the period	13	2,262	895

The notes on pages 68 to 98 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the year ended 31 March 2018

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

	Note	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 1 April 2016		44,217	116,349	160,566
Net Assembly Funding – drawn down		41,391	-	41,391
Consolidated Fund Standing Services	6,16	9,072	-	9,072
Comprehensive Net Expenditure for the year		(52,111)	3,951	(48,160)
Auditors' remuneration	5,6	104	-	104
Other notionals	5,6	1,945	-	1,945
Transfers between reserves		3,521	(3,521)	-
Balance at 31 March 2017		48,139	116,779	164,918
Net Assembly Funding – drawn down		34,138	-	34,138
Consolidated Fund Standing Services	6,16	8,790	-	8,790
Comprehensive Net Expenditure for the year		(49,246)	12,017	(37,229)
Auditors' remuneration	5,6	98	-	98
Other notionals	5,6	1,420	-	1,420
Transfers between reserves		3,620	(3,620)	-
Balance at 31 March 2018		46,959	125,176	172,135

The notes on pages 68 to 98 form part of these accounts.

NOTES TO THE AGENCY RESOURCE ACCOUNTS

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2017-18 FReM and the Accounts Direction issued by DoF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NICTS for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

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 NICTS functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£'000).

1.2 Accounting Boundary

These accounts incorporate the core activity of NICTS.

The funds invested by CFO are specifically excluded from NICTS accounts following DoF guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by CFO are included in Note 24. Financial information about CFO may be obtained from their separately published annual accounts.

Details of income collected as an agent for NICF will be disclosed in the Agency's Trust Statement which is published separately from these financial statements.

1.3 Property, Plant and Equipment

NICTS holds title to the land and buildings shown in the accounts with the exception of Laganside Courts Complex which is leased under the Private Finance Initiative (PFI) Contract (see Notes 9 and 19).

Land has been included within the Statement of Financial Position (SoFP) on the basis of open market value for existing use. Due to the specialised nature of courthouses, they are included within SoFP at depreciated replacement cost (DRC). Land and buildings that are non-operational or surplus assets are valued on the basis of open market value less any directly attributable selling costs. 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. The last full valuation was carried out at 31 March 2014.

Antiques are professionally valued every five years and were revalued at 31 March 2014 by John Ross & Co. (Member of the Irish Auctioneers and Valuers Institute). All other assets are included at DRC.

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

Expenditure on property, plant and equipment of over £1,000 is capitalised.

1.4 Intangible Assets

Expenditure on intangible assets consists of computer software and licences and the associated costs of implementation are capitalised where expenditure of £1,000 or more is incurred. Computer software and licences are amortised over the shorter of the term of the licence and the useful economic life.

1.5 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.

No depreciation is provided on land since it has unlimited or very long estimated useful life. Useful lives are normally in the following ranges:

Land	- Freehold	Not depreciated
	- Leasehold	Not depreciated
Buildings	- Freehold	Individually assessed
	- Leasehold	Period of lease
Furniture and fittings		10 years
Office machinery & equipment		5 years
Computer hardware		3-7 years
Intangible assets – Software licences		3 years
Computer software		3 years
Antiques (non-operational)		Not depreciated

Additions to assets will be depreciated from the month of acquisition. Disposals from assets will not be depreciated in the month of disposal.

Antiques (non-operational) are included in the furniture and fittings section in property, plant and equipment (Note 9).

1.6 Inventory

Inventory of consumable stores held by NICTS are not considered material and are written off in the SoCNE as they are purchased.

There was no inventory held in 2017-18.

Assets seized by EJO are not included in inventories on the basis that they are not owned by NICTS, but are held for resale in settlement of third party creditors. Third party assets held by EJO at the year end are disclosed in Note 24 under Third Party Assets.

1.7 Operating Income

Operating income is income that relates directly to the operating activities of NICTS. Operating income comprises fees and charges for services provided to external customers, rents receivable, and miscellaneous receipts.

Income is recognised in the period in which it is earned in SoCNE and is accrued or deferred as necessary. Operating income is stated net of value added tax (VAT).

Fine income is not treated as accruing resources for the purposes of these accounts. All fine income is recorded in the Trust Statement and paid to NICF via DoJ as Consolidated Fund Extra Receipts (CFER's). An analysis of fines collected is detailed within Note 8.

1.8 Administration and Programme Expenditure

SoCNE can be further 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 DoF. Broadly, administration expenditure reflect the costs of running NICTS and include expenditure on administrative staff and associated costs including accommodation, information technology, communications and office supplies. Programme costs relate to service delivery costs for operating, managing and maintaining the courts.

1.9 Operating Leases

Rentals under operating leases are charged to SoCNE on a straight line basis over the lease term.

1.10 Pensions

Past and present employees are covered by the provisions of PCSPS (NI) which is an unfunded defined benefit scheme. NICTS 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 PCSPS (NI) of amounts calculated on an accruing

basis. Liability for payment of future benefits is a charge on PCSPS (NI). In respect of the defined contribution schemes, NICTS recognises the contributions payable for the year.

1.11 Early Departure Costs

NICTS meets the additional costs of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early by paying the required amounts annually to PCSPS (NI), over the period between early departure and normal retirement date. NICTS provides for this in full, when the early retirement programme becomes binding on the organisation, by establishing a provision for the estimated payments discounted by the Treasury discount rate of 0.10% in real terms.

Pension liabilities may arise in respect of provisions for lump sum early departure costs and the balance of any unpaid ASLC.

1.12 Value Added Tax (VAT)

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.13 Private Finance Initiative (PFI) Transactions

DoF has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure, and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of the International Financial Reporting Standards Interpretations Committee Update (IFRIC 12). NICTS therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI assets, including replacement of components; and
- Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'Programme costs' (Note 6).

PFI Assets

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of International Accounting Standard (IAS) 17 Leases. Subsequently, the assets are

measured at fair value, which is kept up to date in accordance with the Agency approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the 'sum of digits' methodology to the anticipated total interest due over the life of the contract. This is charged to 'Operating expenditure' within SoCNE.

Further details of current on-going agreements are shown in Note 19 to the accounts.

1.14 Provisions

NICTS provides 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	Real Rate
Short-term	Up to 5 years	-2.42%
Medium-term	5 to 10 years	-1.85%
Long-term	Over 10 years	-1.56%

Further details on provisions are contained in Note 16.

1.15 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, NICTS 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 are required to be reported to the Assembly in accordance with the requirements of MPMNI.

There were no contingent liabilities arising during the period which required reporting to the Assembly.

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

Further details of contingent liabilities are contained within Note 22.

1.16 Third Party Assets

Third party assets are assets for which NICTS acts as custodian or trustee, but in which neither NICTS nor public sector more generally has a direct beneficial interest in. 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 NICTS third party assets are provided in Note 24.

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

(i) Depreciation of property, plant and equipment

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.5.

(ii) Impairment of property, plant and equipment and intangibles

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

(iii) Judicial Service Award (JSA)

NICTS accounts for pension and other post-retirement benefits in accordance with IAS 19 Employee benefits. In determining the pension cost and the defined benefit obligation of the pension 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. Further details on the pension provision are contained in Note 16.3.

(iv) Deferred income

NICTS accounts for deferred income in accordance with IAS 18 Revenue. Fee income or revenue is recognised in the accounting period in which services are rendered. Any fee income which is received prior to delivery of the service is treated as deferred income within the accounts. The calculation of deferred income is based on estimates of the time taken to dispose of cases (within High Court, County Court

and Magistrates' Court) and the duration of enforcement activity (within EJO). Average time statistics for the different case types are obtained annually.

(v) Fee Paid Judicial Office Holders Judicial Service Award

The fee paid judicial office holders JSA provision relates to fee paid judicial office holders' employment terms and conditions that are subject to a degree of uncertainty as they are calculated using assumptions, some of which are due to be appealed at the Employment Appeal Tribunal. In addition, as the provision is derived from the JPS fee paid pension entitlement, a level of uncertainty also stems from the pension liability actuarial assumptions adopted. Further information on these provisions is set out in Note 16.4.

1.18 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when the Agency becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial Assets

NICTS has financial instruments in the form of trade receivables, cash and cash equivalents. In accordance with IAS 39 Financial Instruments: Recognition and Measurement, trade receivables, cash and other receivables are classified as "loans and receivables". Loans and receivables are non-derivative non-current assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment.

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.

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.

Impairment of Financial Assets

NICTS assesses at each SoFP date whether there is any objective evidence that a financial asset or group of financial assets are impaired. The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the assets original effective interest rate.

Impairment losses are recognised in SoCNE and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in SoCNE to the extent that a provision was not previously recognised.

Financial Liabilities

NICTS also has financial instruments in the form of trade payables that are classified in accordance with IAS 39 as “other financial liabilities”. These are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

1.19 Employee Benefits including Pensions

Under the requirements of IAS 19, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. NICTS has recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities for both administration and programme staff across NICTS.

1.20 Segmental Reporting

Under the requirement of IFRS 8 ‘Operating Segments’ - Disclosures (amendment) NICTS 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 (currently defined as Peter Luney) NICTS has adopted this amendment. The amendment does not have a material impact on NICTS financial statements. Details of the reporting segments are contained within Note 2.

1.21 Accounting standards, interpretations and amendments to published standards and FReM – issued and effective in 2016-17 for the first time

There were no accounting initiatives issued and effective in 2017-18 for the first time.

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

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2018, but which NICTS has not adopted early. Other than as outlined in the table below, NICTS considers that these standards are not relevant to its operations.

Standard	IFRS 15 - <i>Revenue from Contracts with Customers</i> (IAS 18 <i>Revenue</i> replacement) (new)
Effective date	1 January 2018 (EU endorsed 31 October 2017) - with a view to include in the 2018-19 <i>FReM</i> .
Description of revision	<p>IFRS 15 introduces a new five stage model for assessing and recognising revenue from contracts with customers. It also introduces substantially greater disclosure requirements to address the shortcomings of the previous Standards (IAS 1 and IAS 18).</p> <p>The application of this standard is retrospective (without restatement).</p>
Comments	IFRS 15 will affect all public sector bodies.

Standard	IFRS 16 - <i>Leases</i> (replaces IAS 17 <i>Leases and related interpretations</i>) (new)
Effective date	1 January 2019 (EU endorsed 31 October 2017) - with a view to include in the 2019-20 <i>FReM</i> .
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value on the Statement of Financial Position. There are corresponding changes to the disclosure requirements to show the effect that leases have on the financial position, financial performance and cash flows of the lessee.</p> <p>The lessor accounting model is significantly unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 Financial Instruments and the enhanced disclosure requirements.</p>
Comments	The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury have issued an Exposure Draft on IFRS 16 in May 2018 in advance of the effective date.

1.23 Financial Reporting - Future Developments

NICTS has considered the accounting initiatives identified by HM Treasury for which the Standards are under development and considers that these changes are not relevant or material to its operations.

2. Statement of Operating Costs by Operating Segment

The following operating segments are reported to the NICTS Agency Board and Finance Committee for financial management purposes:

- Court Operations;
- Tribunals and EJO Operations;
- OLCJ; and
- Corporate Services.

NICTS operating segments are determined by the services provided both to external and internal customers.

	Court Operations £'000	Tribunals and EJO Operations £'000	Office of the Lord Chief Justice £'000	Corporate Services £'000	2017-18 Total £'000
Gross Expenditure	43,227	13,566	13,974	5,896	76,663
Income	(18,813)	(8,838)	-	(48)	(27,699)
Net Expenditure	24,414	4,728	13,974	5,848	48,964

	Court Operations £'000	Tribunals and EJO Operations £'000	Office of the Lord Chief Justice £'000	Corporate Services £'000	2016-17 Total £'000
Gross Expenditure	44,507	13,262	13,970	5,455	77,194
Income	(16,643)	(8,432)	-	(57)	(25,132)
Net Expenditure	27,864	4,830	13,970	5,398	52,062

3. Staff Costs

Staff costs for NICTS comprise:

	Permanently Employed Staff £'000	Others £'000	2017-18 Total £'000	2016-17 Total £'000
Wages and salaries	17,720	1,054	18,774	17,971
Social security costs	1,692	-	1,692	1,618
Other pension costs	3,907	-	3,907	3,839
Total Costs*	23,319	1,054	24,373	23,428

Charged to Administration £'000	Charged to Programme £'000	2017-18 £'000	Charged to Administration £'000	Charged to Programme £'000	2016-17 £'000
3,012	21,361	24,373	2,943	20,485	23,428

* In addition, staff costs of £58,060 (2016-17: £89,893) have been capitalised in respect of staff directly assigned to major capital projects.

A breakdown of the above costs into permanent staff, Agency staff and others can be found in the Staff Report within the Accountability Report.

4. Summary of Information for Statement of Comprehensive Net Expenditure

4.1 Operating Income and Expenditure

	Note	Administration £'000	Programme £'000	2017-18 Total £'000
Income from sale of goods and services		-	-	-
Other operating income	7	(40)	(27,659)	(27,699)
Total operating income		(40)	(27,659)	(27,699)
Staff costs	3	3,012	21,361	24,373
Purchase of goods and services	5,6	1,339	42,922	44,261
Depreciation and impairment charges	5,6	1,166	6,164	7,330
Provision expense	6	-	(228)	(228)
Total operating expenditure		5,517	70,219	75,736
Net operating expenditure		5,477	42,560	48,037
Finance income		-	-	-
Finance expense	5,6	(1)	928	927
Net expenditure for the period		5,476	43,488	48,964

				2016-17
	Note	Administration £'000	Programme £'000	Total £'000
Income from sale of goods and services		-	-	-
Other operating income	7	(49)	(25,083)	(25,132)
Total operating income		(49)	(25,083)	(25,132)
Staff costs	3	2,943	20,485	23,428
Purchase of goods and services	5,6	1,576	43,990	45,566
Depreciation and impairment charges	5,6	862	6,166	7,028
Provision expense	6	-	169	169
Total operating expenditure		5,381	70,810	76,191
Net operating expenditure		5,332	45,727	51,059
Finance income		-	-	-
Finance expense	5,6	(18)	1,021	1,003
Net expenditure for the period		5,314	46,748	52,062

4.2 Non-cash costs

				2017-18
	Note	Administration £'000	Programme £'000	Total £'000
Purchase of goods and services	5,6	414	1,104	1,518
Depreciation and Impairment charges	5,6	1,166	6,164	7,330
Provision expense	6	-	(228)	(228)
Total non-cash costs		1,580	7,040	8,620

				2016-17
	Note	Administration £'000	Programme £'000	Total £'000
Purchase of goods and services	5,6	376	1,689	2,065
Depreciation and Impairment charges	5,6	862	6,166	7,028
Provision expense	6	-	169	169
Total non-cash costs		1,238	8,024	9,262

5. Other Administration Costs

	Note	2017-18 £'000	2016-17 £'000
Purchase of goods and services			
Cash items:			
Staff related costs		72	49
Rentals under operating leases		-	2
Accommodation costs		69	66
Office services		191	93
Contracted out services		304	495
Professional costs		135	328
Consultancy costs		25	-
Managed services		94	129
Commission and Tribunal costs		16	17
Non-capital purchases		18	19
Other costs		1	2
		925	1,200
Non-cash items:			
(Profit)/loss on disposal of non-current assets		-	-
Auditors remuneration and expenses		79	92
Notional charges		331	203
Intra-departmental notional charges		4	81
Increase/(decrease) in provision for doubtful debts	13	-	-
		414	376
Total purchase of goods and services		1,339	1,576
Depreciation and impairment charges			
Depreciation	9	630	539
Amortisation	10	536	324
Revaluation released to SoCNE	11	-	(1)
		1,166	862
Total administration costs excluding finance expense		2,505	2,438
Interest payable and similar charge		(1)	(18)
Total administration costs including finance expense		2,504	2,420

6. Programme Costs

	Note	2017-18 £'000	2016-17 £'000
Purchase of goods and services			
Cash items:			
Staff related costs		275	306
Rentals under operating leases		46	88
Accommodation costs		4,671	4,109
Office services		2,458	975
Contracted out services		5,078	8,110
PFI service charges		2,953	2,591
Professional costs		1,044	572
Consultancy costs		102	46
Managed services		110	-
Commission and Tribunal costs		7,867	9,312
Non-capital purchases		22	59
Intra-departmental hard charges		36	41
Client and other programme operating costs		551	563
Judicial costs		6,866	6,728
Judicial costs – Consolidated Fund		8,205	8,521
Other costs		1,534	280
		41,818	42,301
Non-cash items:			
Loss on disposal of non-current assets		-	16
Auditors remuneration and expenses		19	12
Notional charges		1,085	1,661
		1,104	1,689
Total purchase of goods and services		42,922	43,990
Depreciation and impairment charges			
Depreciation	9	5,684	5,690
Amortisation	10	479	547
Revaluation released to SoCNE	11	1	(71)
		6,164	6,166
Provision expense			
Provided in year	16	408	675
Written back in year	16	(675)	(560)
Borrowing costs	16	39	54
		(228)	169
Total programme costs excluding finance expense		48,858	50,325
Interest payable and similar charge		928	1,021
Total programme costs including finance expense		49,786	51,346

7. Income

	2017-18	2016-17
	£'000	£'000
Administration income		
Other non-trading income	40	49
Total administration operating income	40	49
Programme income		
Other rentals	273	293
Fees, levies and charges	22,414	20,204
Other non-trading income	4,972	4,586
Total programme operating income	27,659	25,083

Other non-trading income relates to income from other sources which are not arising from court fees. This includes rental and service charges generated from court room accommodation and recovery of costs associated with the provision of the service of summons servers and the administration of the safety camera scheme.

8. Summary of fine income payable to NICF

Income shown in Note 7 does not include any amounts collected by the Agency where it was acting as an agent for NICF. These amounts will be disclosed in the NICTS Trust Statement which is published separately from these financial statements. Due to the timing of the laying of the Trust Statement for 2017-18, NICTS has continued to disclose these details for the current year.

NICTS accepts payment for amounts imposed in the Magistrates' and Crown courts for onward transmission to NICF via DoJ. Amounts imposed in court can be cleared either by payment or by means other than payment, including committal to prison.

NICTS also receives payment for penalties that are imposed externally to the courts including fixed penalties imposed for motoring offences. These penalties are accounted for as NICF income from date of imposition.

On collection of fines the receipts are held on trust and accounted for as amounts due to NICF until paid over.

The net revenue payable to the consolidated fund consists of the following elements:

	2017-18 £'000	2016-17* £'000
Trust Statement Revenue		
Fixed Penalties	1,823	2,335
Court Imposed fines	4,628	5,277
Offender Levy	407	345
Extra Costs	18	42
Confiscation Orders	1,274	2,692
Other Party Criminal	1,837	1,662
	9,987	12,353
Expenditure		
Credit Losses	(2,062)	(1,091)
Revenue retained by NICTS under statute	(153)	(153)
Disbursements		
Amounts paid to Other Parties	(1,631)	(1,721)
Amounts paid to Safety Camera Scheme	(584)	(954)
	(4,430)	(3,919)
Net Revenue for the Consolidated Fund	5,557	8,434

The amounts that have been received and are due to be paid over to NICF consists of the following elements:

	2017-18 £'000	2016-17* £'000
Amounts Held On Trust		
Balance held on trust at 1 April	645	531
Fines cleared by receipt of payment (NICF fines)	7,034	7,567
Payments to Consolidated Fund	(6,676)	(6,346)
Payments to others	(737)	(1,107)
Balance held on Trust at 31 March	266	645

The receivables balance at year end was £10.3m (2016-17: £11.2m), this includes those receivables which are not payable to NICF, for example compensation.

	2017-18 £'000	2016-17* £'000
Balance receivable at 1 April	11,175	8,947
Amounts Imposed	9,987	12,353
Fines Cleared by receipt of Payment	(9,366)	(9,034)
Fines Cleared by Competent Authority	(2,062)	(1,059)
(Increase)/decrease in impairment provision	-	(32)
Balance receivable at 31 March	9,734	11,175

*The 2016-17 balances have been restated within this note to reflect the contents of the Trust Statement for 2016-17 and in line with the requirements of Chapter 8.2 of FReM, Consolidated Fund Revenue. We note that within the DoJ consolidated accounts comparative figures have not been restated as these are included in the Statements of Assembly Supply in DoJ consolidated accounts and, for the purposes of Assembly Control, these figures are indelible.

9. Property, Plant and Equipment

	Land £'000	Buildings £'000	Furniture & Fittings £'000	Office Machinery & Equipment £'000	Computer Hardware £'000	Telecoms & Networks £'000	Total £'000
Cost or valuation							
At 1 April 2017	30,383	179,517	680	2,239	1,265	1,258	215,342
Additions	-	(79)	-	225	426	(422)	150
Disposals	-	-	(3)	(38)	-	-	(41)
Transfers	-	-	-	-	-	-	-
Reclassification	(30)	(17)	-	(11)	-	(2)	(60)
Revaluation released to SoCNE	(8)	(1)	-	-	-	-	(9)
Indexation	-	13,683	-	8	29	7	13,727
Revaluation	-	(3)	-	(3)	-	(1)	(7)
At 31 March 2018	30,345	193,100	677	2,420	1,720	840	229,102
Depreciation							
At 1 April 2017	-	17,560	608	2,099	775	639	21,681
Charged in year	-	5,870	47	55	201	141	6,314
Disposals	-	-	(3)	(38)	-	-	(41)
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Revaluation released to SoCNE	-	(8)	-	-	-	-	(8)
Indexation	-	1,784	-	3	8	6	1,801
Revaluation	-	-	-	(33)	(1)	(6)	(40)
At 31 March 2018	-	25,206	652	2,086	983	780	29,707
Carrying amount at 31 March 2018	30,345	167,894	25	334	737	60	199,395
Carrying amount at 31 March 2017	30,383	161,957	72	140	490	619	193,661
Asset financing:							
Owned	30,345	130,175	25	334	737	60	161,676
On balance sheet PFI contracts	-	37,719	-	-	-	-	37,719
Carrying amount at 31 March 2018	30,345	167,894	25	334	737	60	199,395

	Land £'000	Buildings £'000	Furniture & Fittings £'000	Office Machinery & Equipment £'000	Computer Hardware £'000	Telecoms & networks £'000	Total £'000
Cost or valuation							
At 1 April 2016	30,345	175,243	705	2,188	938	843	210,262
Additions	-	94	-	66	329	411	900
Disposals	-	(112)	(26)	(25)	(39)	-	(202)
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Revaluation released to SoCNE	38	28	-	-	2	-	68
Indexation	-	4,350	1	1	35	2	4,389
Revaluation	-	(86)	-	9	-	2	(75)
At 31 March 2017	30,383	179,517	680	2,239	1,265	1,258	215,342
Depreciation							
At 1 April 2016	-	11,483	565	2,066	620	497	15,231
Charged in year	-	5,772	57	81	174	145	6,229
Disposals	-	(112)	(15)	(25)	(34)	-	(186)
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Revaluation released to SoCNE	-	(4)	-	-	1	-	(3)
Indexation	-	426	1	-	15	1	443
Revaluation	-	(5)	-	(23)	(1)	(4)	(33)
At 31 March 2017	-	17,560	608	2,099	775	639	21,681
Carrying amount at 31 March 2017	30,383	161,957	72	140	490	619	193,661
Carrying amount at 31 March 2016	30,345	163,760	140	122	318	346	195,031
Asset financing:							
Owned	30,383	123,651	72	140	490	619	155,355
On balance sheet PFI contracts	-	38,306	-	-	-	-	38,306
Carrying amount at 31 March 2017	30,383	161,957	72	140	490	619	193,661

Notes

IAS 16 requires measurement of assets at fair value.

Land and buildings were valued as at 31 March 2014 by LPS. The valuation was carried out by LPS in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. PPE are adjusted to their current value each year by reference to the appropriate indices compiled by ONS.

All Buildings are valued at DRC with the exception of two Courthouses that were revalued at 31 March 2018 at market value, due to their non-operational status, with one of these Courthouses being reclassified as held for sale during the year.

Antiques have been included in the Furniture and Fittings classification and are professionally valued every five years. The valuation was carried out at 31 March 2014 by John Ross & Co.

There are no donated assets to report.

10. Intangible Assets

Intangible assets comprise internally and externally developed software, software licences and websites.

	Software Licences £'000	IT £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 April 2017	352	11,650	-	12,002
Additions	-	848	-	848
Disposals	(1)	(994)	-	(995)
Transfers	-	-	-	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	-	-	-
Indexation	2	122	-	124
As at 31 March 2018	353	11,626	-	11,979
Amortisation				
At 1 April 2017	324	9,871	-	10,195
Charged in year	17	998	-	1,015
Disposals	(1)	(994)	-	(995)
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	-	-	-
Indexation	2	64	-	66
As at 31 March 2018	342	9,939	-	10,281
Carrying amount at 31 March 2018	11	1,687	-	1,698
Carrying amount at 31 March 2017	28	1,779	-	1,807
Asset financing				
Owned	11	1,687	-	1,698
On balance sheet PFI contracts	-	-	-	-
Carrying amount at 31 March 2018	11	1,687	-	1,698

	Software Licences £'000	IT £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 April 2016	351	10,288	228	10,867
Additions	-	1,056	-	1,056
Disposals	-	-	-	-
Transfers	-	228	(228)	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	2	-	2
Indexation	1	76	-	77
As at 31 March 2017	352	11,650	-	12,002
Amortisation				
At 1 April 2016	309	8,984	-	9,293
Charged in year	14	857	-	871
Disposals	-	-	-	-
Transfers	-	-	-	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	1	-	1
Indexation	1	29	-	30
As at 31 March 2017	324	9,871	-	10,195
Carrying amount at 31 March 2017	28	1,779	-	1,807
Carrying amount at 31 March 2016	42	1,304	228	1,574
Asset financing				
Owned	28	1,779	-	1,807
On balance sheet PFI contracts	-	-	-	-
Carrying amount at 31 March 2017	28	1,779	-	1,807

Intangible assets are adjusted to their current value each year by reference to appropriate indices supplied by the Office of National Statistics.

11. Impairment

	2017-18 £'000	2016-17 £'000
Charged directly to the SoCNE		
Property, plant and equipment	1	(71)
Intangible assets	-	(1)
	1	(72)
Taken through the revaluation reserve		
Property, plant and equipment	(11,959)	(3,904)
Intangible assets	(58)	(47)
	(12,017)	(3,951)
Total impairment charge for the year	(12,016)	(4,023)

12. Assets classified as held for sale

	Land & Buildings £'000
Opening balance at 1 April 2017	-
Transfers	60
Closing balance at 31 March 2018	60

Larne Courthouse has been reclassified as held for sale during the year.

13. Cash and cash equivalents

	2017-18 £'000	2016-17 £'000
Balance at 1 April	895	945
Net change in cash and cash equivalent balances	1,367	(50)
Balance at 31 March	2,262	895
The following balances at 31 March were held at:		
Office of HM Paymaster General	-	-
Commercial banks and cash in hand	2,262	895
Balance at 31 March	2,262	895

14. Trade receivables and other current assets

	2017-18 £'000	2016-17 £'000
Amounts falling due within one year:		
Trade receivables	-	-
Value Added Tax	660	600
Other receivables	688	612
Prepayments and accrued income	3,559	3,238
Total	4,907	4,450

Within other receivables there is a provision for bad debt of £37k. As this is a provision, and therefore a non cash movement, it has been excluded from the movement in trade receivables for inclusion within the Statement of Cash Flows (2016-17: £37k).

There are no receivable amounts falling due after more than one year.

15. Trade payables and other current liabilities

	2017-18 £'000	2016-17 £'000
Amounts falling due within one year		
Trade payables	210	208
Other payables	3,101	2,635
Accruals and deferred income	13,217	11,410
Current part of imputed finance lease element of PFI contracts	1,395	1,304
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received and receivable	2	18
	17,925	15,575
Amounts falling due after more than one year		
Imputed finance lease element of PFI contracts	13,798	15,193
Total	31,723	30,768

Within accruals and deferred income are accruals for non-current assets of £630k (2016-17: £1,164k).

16. Provisions

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Fee Paid Officer Holders £'000	Total £'000
Balance at 1 April 2017	146	434	3,910	637	5,127
Provided in the year	-	131	277	-	408
Provisions not required written back	-	(203)	-	(472)	(675)
Provisions utilised in the year	(79)	(53)	-	-	(132)
Provisions settled from Consolidated Fund	-	-	(585)	-	(585)
Borrowing Costs	(2)	-	41	-	39
Actuarial gain	-	-	282	-	282
Balance at 31 March 2018	65	309	3,925	165	4,464

Analysis of expected timing of discounted flows:

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Fee Paid Officer Holders £'000	Total £'000
Not later than one year	65	309	347	8	729
Later than one year and not later than five years	-	-	1,390	47	1,437
Later than five years	-	-	2,188	110	2,298
Balance at 31 March 2018	65	309	3,925	165	4,464

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Fee Paid Officer Holders £'000	Total £'000
Balance at 1 April 2016	188	846	4,021	525	5,580
Provided in the year	1	220	342	112	675
Provisions not required written back	-	(560)	-	-	(560)
Provisions utilised in the year	(46)	(72)	(2)	-	(120)
Provisions settled from Consolidated Fund	-	-	(551)	-	(551)
Borrowing Costs	3	-	51	-	54
Actuarial loss	-	-	49	-	49
Balance at 31 March 2017	146	434	3,910	637	5,127

Analysis of expected timing of discounted flows:

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Fee Paid Officer Holders £'000	Total £'000
Not later than one year	83	434	343	142	1,002
Later than one year and not later than five years	63	-	1,371	77	1,511
Later than five years	-	-	2,196	418	2,614
Balance at 31 March 2017	146	434	3,910	637	5,127

16.1 Early departure costs

NICTS meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to PCSPS over the period between early departure and normal retirement date. NICTS provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 0.10% in real terms.

16.2 Legal Claims

Provision has been made for various legal claims against NICTS. The provision reflects all known claims where legal advice indicates that there is a present obligation due to a past event and payment is probable and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. The provision is based on the estimated cash flow. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so or cannot be estimated reliably, are disclosed as contingent liabilities in Note 22.

16.3 Judicial Service Award – Salaried Judicial Office Holders

Provision has been made for a JSA for salaried judicial office holders who are members of JPS. The purpose of the JSA is that, subject to any future changes in legislation, the award will compensate for any tax or National Insurance charges on lump sums payable

from the deregistered judicial pension schemes on retirement. The provision has been estimated by Government Actuary's Department (GAD) and takes into account the number of reckonable years served and an estimate of the projected final salaries of existing members. The result has then been discounted to present value using the rates set by HM Treasury.

The provision includes estimated amounts due to Judiciary funded by both the Agency and the Consolidated Fund.

16.4 Judicial Service Award - Fee Paid Office Holders

Following a ruling by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, a provision has been recognised in the NICTS Accounts in respect of JSA liabilities relating to fee paid judges.

Provision was also made in the 2016-17 NICTS Accounts for claims in respect of fee paid judicial office holders' employment terms and conditions that historically have not matched salaried comparators claims; this obligation was settled by MoJ in 2017-18.

The provisions recognised have been calculated based on a number of assumptions as determined by the latest judgments issued by appropriate tribunal. These judgments are considered lead cases which bind all related stayed cases. They are subject to appeal and therefore the assumptions on which the provisions have been estimated are subject to a degree of uncertainty.

The provision of the service award for each member has been calculated based on their lump sum at retirement. The net service award that members receive is the same as the tax paid on the lump sum and is itself an employee benefit that is subject to income tax and national insurance. NICTS's liability for the service award is grossed-up for both the income tax (at an assumed marginal rate) and employer NI payable by NICTS on the service awards.

17. Capital commitments

NICTS has not entered into any capital commitments as at 31 March 2018 (2016-17: none).

18. Commitments under leases

18.1 Operating leases

NICTS has no commitments under operating leases as at 31 March 2018 (2016-17: none)

18.2 Finance leases

NICTS has no obligations under finance leases other than the PFI commitment contained in Note 19.

19. Commitments under PFI contracts

Laganside Complex

During February 1999, NICTS entered into a 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 SoCNE. 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 SoCNE in respect of the service element of “on balance sheet” (SoFP) PFI transactions was £2,953k (2016-17: £2,591k). Total future obligations under “on-balance sheet” PFI arrangements are given in the table below for each of the following periods:

	2017-18	2016-17
	£'000	£'000
Rentals due not later than one year	2,182	2,182
Rentals due later than one year and not later than five years	8,728	8,728
Rentals due later than five years	8,119	10,301
	19,029	21,211
Less interest element	(3,836)	(4,714)
Present value of obligations	15,193	16,497

	2017-18	2016-17
	£'000	£'000
Service charge due within one year	1,503	1,488
Service charge due later than one year and not later than five years	6,166	6,090
Service charge due later than five years	5,971	7,496
Total	13,640	15,074

20. Other financial commitments

The Agency has not entered into any non-cancellable contracts at 31 March 2018 (2016-17: nil).

21. Financial instruments

IAS 32 Financial Instruments: Presentation, and IFRS 7 Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for NICTS financial position and performance, the nature and extent of risks arising from financial instruments to which NICTS is exposed during the period and at the reporting date, and how NICTS manages those risks. As a result of the non-trading nature of its activities and the way in which the Agency is financed, NICTS is not exposed to the degree of financial risk faced by business entities.

NICTS 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 NICTS in undertaking its activities.

Classification of financial instruments

NICTS financial instruments are measured at amortised cost. NICTS financial assets are classified as receivables and comprise trade and other receivables (Note 14) and cash and cash equivalents (Note 13). NICTS financial liabilities comprise trade payables excluding tax assets, accruals and deferred income (Note 15). 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. NICTS recognises the components of net gain/loss through the SoCNE.

Risk Management

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

NICTS cash requirements are financed by resources voted annually by the Northern Ireland Assembly. It is not, therefore, exposed to any material credit or liquidity risk.

All of the NICTS financial assets and liabilities carry nil or fixed rates of interest. NICTS is therefore not exposed to any interest rate risk. NICTS is not exposed to any currency risk as all invoices are paid in sterling.

Embedded Derivatives

In accordance with IAS 39, Financial Instruments: Recognition and Measurement, NICTS has reviewed all 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 NICTS Laganside PFI contract there is a payment mechanism that determines the charge the Agency will pay from 2009 to 2026 which is based on the UK 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 within which NICTS operates.

22. Contingent liabilities disclosed under IAS 37

NICTS has contingent liabilities where the possibility of the liability crystallising is judged to be possible. Unless otherwise stated, the quantum of the liability can either not be determined with reasonable certainty or to quantify it would jeopardise the outcome of the case.

22.1 Legal Claims and Costs

There is an estimated contingent liability of £33k (2016-17: £33k) in relation to legal claims and costs; further information is disclosed within Note 16.2.

There are further contingent liabilities upon which it is not possible to put a value. It is NICTS' assertion that these claims are unsubstantiated.

22.2 Fee Paid Office Holders

Pension entitlements are provided to salaried judges under the JPS. In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations.

The UK Supreme Court ruling on 6 February 2013 set the precedent for other claims, which in addition to pension entitlements, extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions.

There were further appeals from claimants in relation to the scope of retrospective remedies arising from this decision. The UK Supreme Court heard these cases in March 2017, and in July 2017 referred one of the appeals to the Court of Justice of the European Union (CJEU). Judgment on the remaining appeal is still pending.

The MoJ JPS accounts recognises the pension liability associated with NICTS fee paid judicial office holders consistent with the accounting for salaried judicial office holders.

22.3 Other Judicial Office Holders

In January 2017, the Employment Tribunal ruled that a group of judges had been subject to age discrimination when they were transferred to the new career average Judicial Pension Schemes established in April 2015. Under transitional provisions, older colleagues were able to remain in the existing final salary schemes. The Employment Appeal Tribunal (EAT) in January 2018 found in the claimants favour. The case is being appealed by MoJ and both the outcome of the litigation and the nature of any eventual remedy are considered insufficiently certain to provide for at this stage.

In addition to this, a number of judicial office holders have made claims to an Industrial Tribunal under the Part Time Workers (Prevention of Less Favourable Treatment) Regulations (Northern Ireland) 2000. These claims relate to the appointment of salaried

judicial office holders who hold or held concurrent judicial posts. The Tribunal concluded in its Reserved Judgment issued on 5 June 2017 that the respondents unlawfully discriminated against the claimants in respect of pay and pension accrual. MoJ and DoJ have appealed the judgment. Mediation is ongoing to agree a settlement, and an amount has been accrued in the accounts for the estimated liability of past costs. There will, however be a future liability for sittings of this nature going forward. Work is ongoing in this area to estimate the future liability but this is currently unquantifiable, pending the outcome of future mediation and the Appeal hearing, listed for October 2018.

22.4 Legacy Inquests

The programme of legacy inquests continues to create a budgetary pressure. The number of legacy inquests has not changed from last year, however, there is on-going potential for further increase should the Attorney General refer further cases. A refreshed bid has been submitted following the recent Judgment in the High Court which accepted that there has been an ongoing failure to introduce adequate funding to prevent delays to Legacy Inquests.

22.5 Fine Default Litigation

NICTS Operational Policy Branch Fine Default Claims Team has processed a total of 901 claims, relating to the previous Divisional Court decision in 2013 that the enforcement of unpaid fines and other monetary penalties in Northern Ireland was unlawful. From this, 58 offers of settlement have been issued. The majority of claims were rejected as they fell outside the one year limitation period pursuant to section 7(5) of the Human Rights Act 1998. At the time of producing the accounts, a total of 144 writs and civil bills have been issued challenging NICTS decision to refuse compensation. Statements of Claim have been received for two of the writs and Counsel have been instructed for NICTS. The Fine Default Litigation Project Working Group, providing representation from key stakeholders including Northern Ireland Prison Service (NIPS), Compensation Services and DSO, continue to meet regularly to discuss progress. Depending on the outcomes of these writs, there may be significant financial implications in the future for NICTS and the Department.

23. Related-party transactions

NICTS is an executive Agency of DoJ. DoJ is regarded as a related party. During the year, NICTS has had various material transactions with DoJ, and with other entities for which DoJ is regarded as the parent Department, namely PSNI, NIPS, Youth Justice Agency and Legal Services Agency NI. In addition, NICTS has had various material transactions with other government Departments and other central government bodies.

During the year, no Board members have undertaken any material transactions with NICTS.

24. Third-party assets

NICTS holds as custodian or trustee certain assets belonging to third parties.

Third Party Monetary Assets

NICTS, through CFO, continues to provide a banking and investment service 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 the Office of the Official Solicitor. 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. They are set out in the table below.

	31 March 2017 £'000	Gross inflows £'000	Gross outflows £'000	31 March 2018 £'000
Monetary assets such as bank balances and monies on deposit	110,322	123,232	(134,246)	99,308
Listed securities	206,692	67,577	(74,466)	199,803
Total Third Party Assets	317,014	190,809	(208,712)	299,111

Third Party Inventory Assets

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 the court service as security for bails in relation to legal actions.

EJO 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:

	31 March 2018 Number	31 March 2017 Number
Property assets	925	1,111

25. Entities within the accounting boundary

The accounting boundary incorporates only the core Agency.

The funds invested by the CFO are specifically excluded from the accounting boundary, following HM Treasury guidance. Third party monies are similarly excluded. CFO publish separate audited financial accounts.

Details of income collected as an agent for NICF will be disclosed in the NICTS Trust Statement which is published separately from these financial statements.

26. Criminal Injuries Compensation Appeals Panel Northern Ireland

The administrative functions of Criminal Injuries Compensation Appeals Panel Northern Ireland (CICAPNI) transferred from the Secretary of State for Northern Ireland (SOSNI) to the Secretary of State for Justice (SOSJ) in the 2007-08 financial year and were delivered by a Machinery of Government letter on 1 December 2007.

The administrative functions of CICAPNI transferred from the SOSJ to DoJ following the devolution of policing and justice in Northern Ireland on 12 April 2010.

DoJ has directed a statement of accounts in accordance with the 2002 Order and the Scheme only requires a simple statement providing the full cost of CICAPNI for the year, given as a note in the NICTS accounts.

This direction is in accordance with The Criminal Injuries (NI) Order 2002 (“the 2002 Order”) and with the Northern Ireland Criminal Injuries Compensation Scheme 2002 (“the Scheme”) which establish CICAPNI. Both the 2002 Order and the Scheme provide that DoJ may direct the form of the accounts of CICAPNI.

This accounting note has been prepared in accordance with the accounts direction issued by DoJ.

CICAPNI Statement of Account As At 31 March 2018

	2017-18		2016-17	
	£	£	£	£
Income	-		-	
Staff Costs				
Staff Payroll costs	(101,818)		(178,859)	
Judicial Payroll costs	(164,249)		(159,022)	
Total Payroll costs		(266,066)		(337,881)
Other operating costs		(63,569)		(64,116)
Net Cost of operations		(329,635)		(401,997)

27. Events after the reporting period

27.1 Tribunal Transfer

The transfer of TAS to NICTS was further postponed during 2017-18 due to the continued absence of an Executive. It is hoped that this transfer will take place during 2018-19 but this dependent on the forming of an Executive.

27.2 Community Asset Transfer

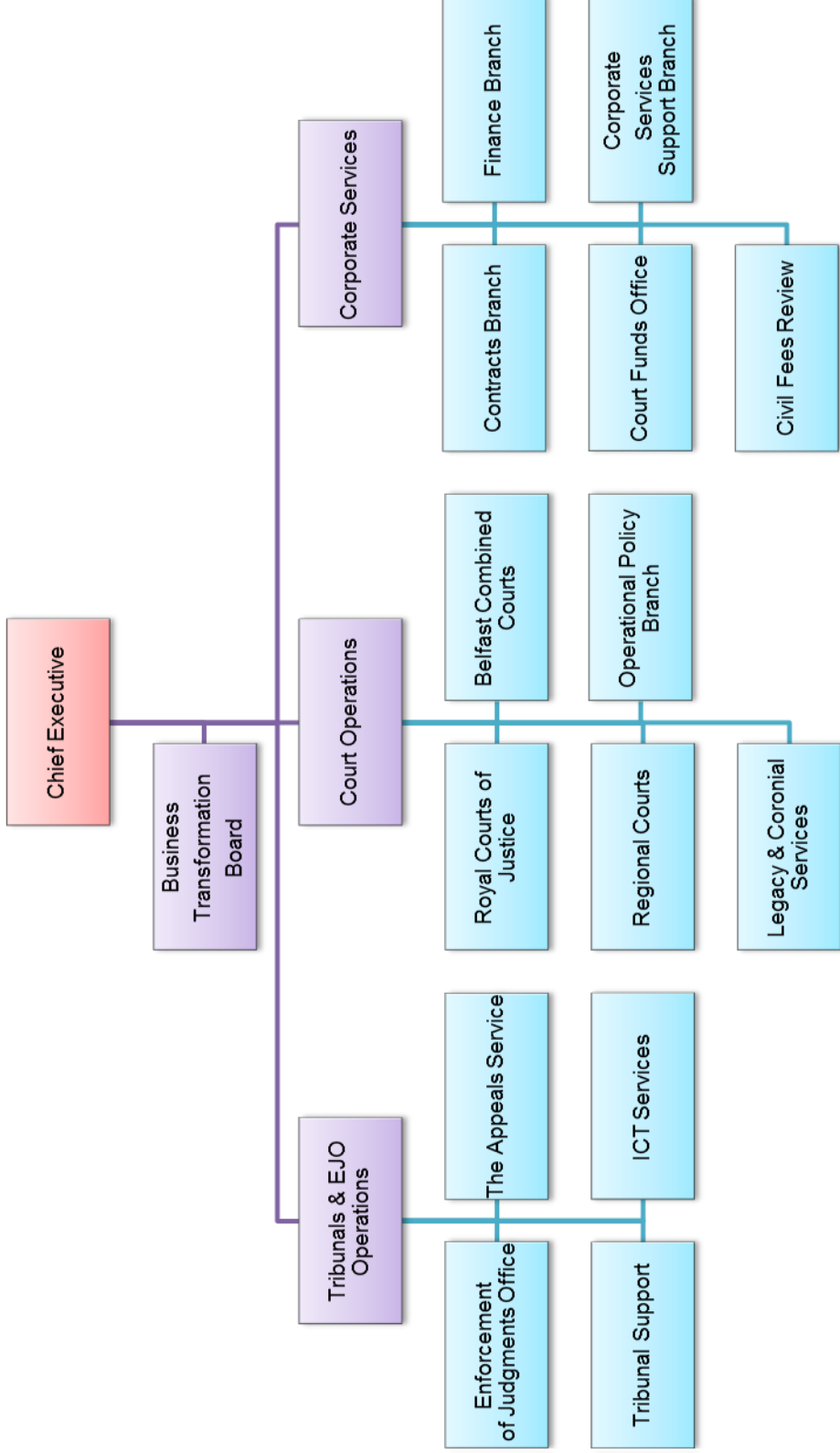
A revised business case to facilitate the Community Asset Transfer of Bangor Courthouse to the community arts based group, Open House Festival, has been approved by DoF in April 2018. The Courthouse is initially going to be leased to Open House Festival before transferring to their full ownership subject to proof of sustainability of their business model over the lease period.

Date of authorisation for issue

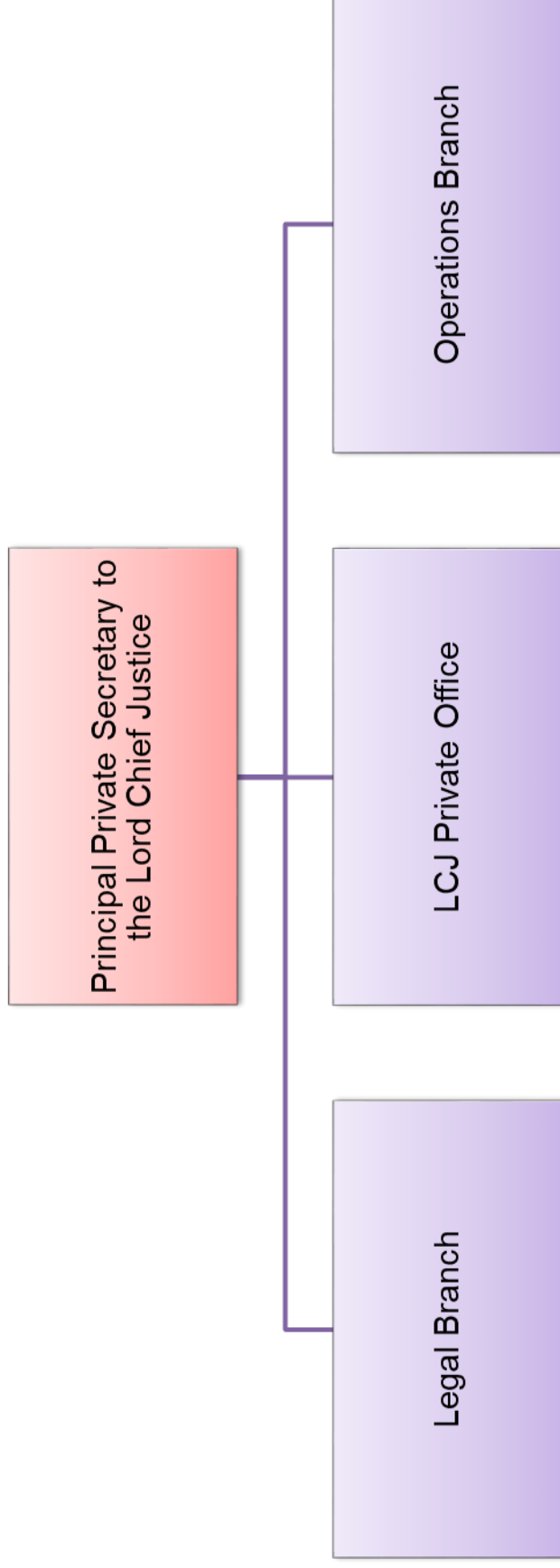
The Accounting Officer authorised these financial statements for issue on the same date that they were certified by the C&AG.

PART 4 APPENDICES

Annex A Northern Ireland Courts and Tribunals Service Organisational Chart 2018



Annex B Office of the Lord Chief Justice Structure 2018



Annex C Staffing

At the end of March 2018, the number of staff employed by the Agency was 680. A breakdown is provided below.

Staff Headcount	
Court Operations Division	438
Tribunals and Enforcement Division	129
Corporate Services	84
Office of the Lord Chief Justice	28
Chief Executive	1
Total	680

Staff Headcount by Grade	
Administrative Assistant	2
Administrative Officer	300
Executive Officer 2	57
Executive Officer 1	178
Staff Officer	66
Deputy Principal	36
Principal Officer	32
Grade 6	7
Grade 5	2
Total	680

Annex D Court and Tribunal Performance Standards 2017-18

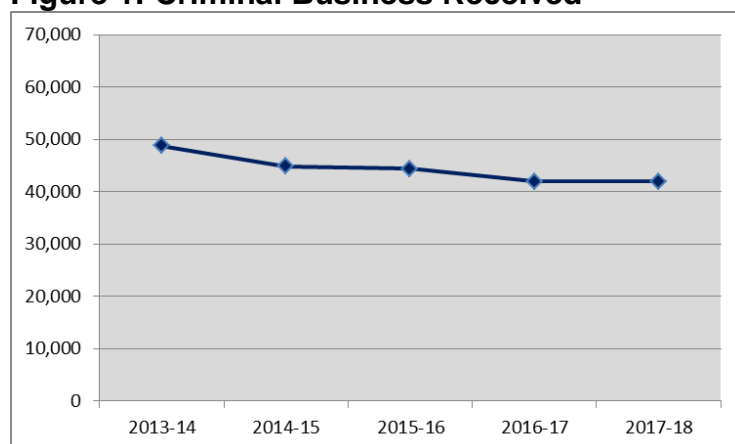
Criminal Business

To facilitate the efficient disposal of criminal business²

- 80% of Crown Court defendants will be arraigned within six weeks of committal;
(In 2017-18 we achieved 89%)
- 80% of Crown Court defendants will start their trial within 18 weeks of committal;
(In 2017-18 we achieved 80%)
- 80% of Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt;
(In 2017-18 we achieved 69%)
- 80% of Magistrates' Courts adult defendants will have their case disposed of within nine weeks of first listing;
(In 2017-18 we achieved 84%)
- A finding will be reached within 12 weeks from first listing for 80% of Youth Court defendants;
(In 2017-18 we achieved 88%)
- 90% of appeals against a sentence will be listed within four weeks of leave being granted to appeal to the Court of Appeal;
(In 2017-18 we achieved 90%)

The chart below shows the levels of criminal business received over the past five years.

Figure 1: Criminal Business Received



² These Standards, with the exception of the Court of Appeal, Causeway and Court Order Standards, are set by the Lord Chief Justice.

Criminal Court Business – Volumes, Disposals and Performance

Business Volumes Received	2017-18	2016-17	% difference
Total Criminal business	41,950	41,970	0%
Crown Court cases	1,173	1,422	-18%
Magistrates' adult defendants	39,307	39,063	1%
Magistrates' youth defendants	1,470	1,485	-1%
Business Volumes disposed			
Total criminal business	41,341	42,352	-2%
Crown Court cases	1,320	1,905	-31%
Magistrates' adult defendants	38,580	39,021	-1%
Magistrates' youth defendants	1,441	1,426	1%
Sittings			
Total criminal sittings	5,713	6,074	-6%
Crown Court	2,345	2,539	-8%
Magistrates' adult	2,972	3,081	-4%
Magistrates' youth	396	454	-13%
Performance against a target of 80% compliance			
Crown Court ³	80%	67%	13pp
Magistrates' adult	84%	83%	1pp
Magistrates' youth	88%	86%	2pp

pp – percentage point

Civil Business

To facilitate the efficient disposal of civil business

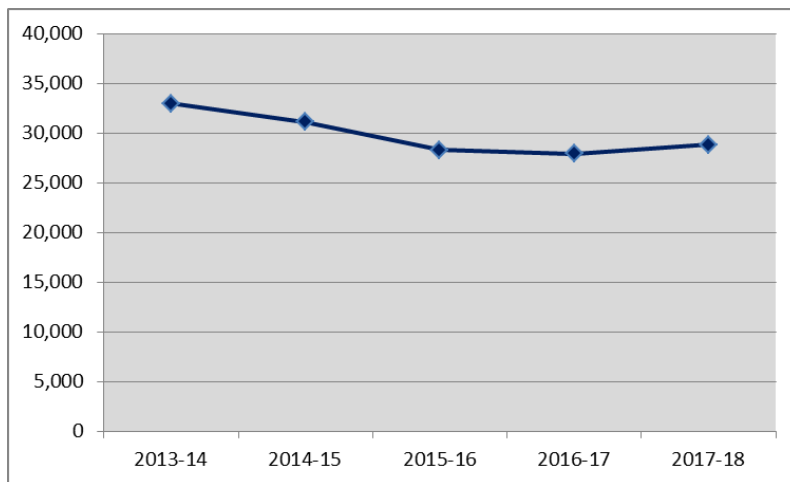
- 95% of civil bills will be allocated a hearing date within 15 weeks of receiving a certificate of readiness;
(In 2017-18 we achieved 98%)
- 98% of claims for Clinical Negligence will be listed for review before the Master within 13 months of receipt of the writ (applicable to writs lodged since 2011);
(In 2017-18 we achieved 99%)

³ Committal to hearing target

- 98% of claims for Personal Injury will be listed for review within three months of setting down;
(In 2017-18 we achieved 99%)
- 97% of petitions for bankruptcy (presented by creditors) will be listed for hearing within six weeks;
(In 2017-18 we achieved 98%)
- 90% of petitions for bankruptcy (presented by debtors) will be listed for hearing within three weeks;
(In 2017-18 we achieved 99%)
- 85% of applications for Grant of Probate/Letters of Administration will be issued within seven days of receipt of correct information;
(In 2017-18 we achieved 97%)

The chart below shows the levels of civil business received over the past five years.

Figure 2: Civil Business Received



Civil Court Business – Volumes, Disposals and Performance

Business Volumes Received	2017-18	2016-17	% difference
Total civil business	28,836	27,946	3%
Civil Bills (Notice of Intentions to Defend)	7,067	7,415	-5%
Small Claims	12,170	10,350	18%
Writs set down	718	889 ^R	-19%
Mortgages received	1,072	1,055	2%
Bankruptcies received	1,449	1,684	-14%
Probate grants received	6,360	6,553	-3%
Business Volumes disposed			
Total civil business	30,533	30,127	1%
Ordinary Civil Bills	9,809	9,544	3%
Small Claims	9,862	8,610	15%
Writs disposed	2,063	2,719	-24%
Mortgages disposed	729	829	-12%
Bankruptcies disposed	1,463	1,746	-16%
Probate grants issued	6,607	6,679	-1%
Sittings			
Total civil sittings	2,740	2,731	0%
County Court	2,059	2,012	2%
Queen's Bench	470	507	-7%
Chancery	211	212	0%
Performance against a target of compliance			
Civil Bills Writs set down (98%)	98%	98%	0pp
Petitions for bankruptcy (presented by creditors)	98%	99%	-1pp

^R Historical figure for Writs set down was restated during 2017-18

pp – percentage point

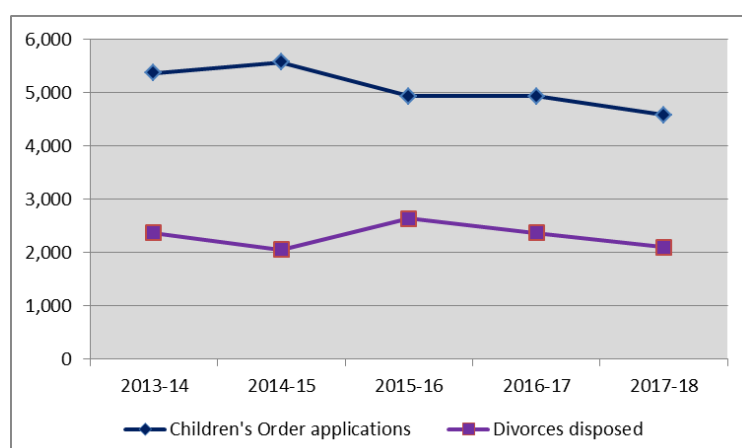
Family Business

To facilitate the efficient disposal of family business⁴

- 92% of Children Order applications will be listed for first directions within six weeks of receipt of correct information;
(In 2017-18 we achieved 97%)
- 95% of annual accounts filed by Controllers on behalf of patients will be reviewed by the Office of Care and Protection within eight weeks of receipt;
(In 2017-18 we achieved 98%)
- 95% of accounts held in court on behalf of patients will be reviewed by the Office of Care and Protection within 12 weeks of the annual review date;
(In 2017-18 we achieved 95%)
- 95% of applications for Enduring Power of Attorney (where no objection has been lodged) will be registered within 40 days of receipt of all required information;
(In 2017-18 we achieved 100%)
- 97% of undefended divorces and dissolution of civil partnerships will be listed for hearing within six weeks of receipt and in the High Court, confirmation of readiness;
(In 2017-18 we achieved 97%)

The chart below shows the levels of family business received over the past five years.

Figure 3: Family Business Disposed



⁴ The courts seek to attain the requirement prescribed in the Children (Northern Ireland) Order 1995 that any matter relating to children will be dealt with expeditiously. Any steps in the process will be informed by that statutory imperative and by the provisions of the Case Management Protocol for Public Law cases.

Family Court Business – Volumes, Disposals and Performance

Business Volumes Received	2017-18	2016-17	% difference
Total Family Business	9,657	10,141	-5%
Children Order applications	5,246	5,537	-5%
Divorces received	2,428	2,342	4%
Enduring Power of Attorney applications received	1,037	915	13%
Controllership applications received	946	1,347	-30%
Business Volumes disposed			
Total Family Business	8,597	9,476	-9%
Children Order applications	4,576	4,921	-7%
Divorces disposed	2,095	2,368	-12%
Enduring Power of Attorney registered	980	840	17%
Controllership orders issued	946	1,347	-30%
Sittings			
Children Order	1,972	1,964	0%
Performance against a target of 90% compliance			
Children Order	97%	98%	-1pp

pp – percentage point

Coroners Service Business

To facilitate the efficient disposal of Coroners Service business:

- 97% of all deaths investigated that do not require a post-mortem examination will have the certificate of registration issued to the Registrar of Deaths within three working days of the relevant documentation being received by the Coroner;
(In 2017-18 we achieved 100%)
- 95% of all deaths where a post-mortem examination reveals a natural cause of death will have the certificate of registration issued to the Registrar of Deaths within five working days of the Coroner making the decision to close the case following receipt of the post-mortem report;
(In 2017-18 we achieved 99%)
- In 95% of inquests the administrative listing arrangements will be completed within 28 days of the Coroner's direction to list;
(In 2017-18 we achieved 98%)

Coroners Service Business – Volumes and Performance

Business Volumes	2017-18	2016-17	% difference
Deaths reported	4,210	4,112	2%
Post mortems with no inquest	1,007	1,056	-5%
Inquests held	124	135	-8%
No post mortem and no inquest	2,407	2,329	3%
Other disposals of registered entries	562	611	-8%
Performance against a target of compliance			
Post mortem not required	100%	99%	1pp
Post mortem reveals natural case of death	99%	99%	0pp

pp – percentage point

Court Funds Office (CFO)

To facilitate the efficient disposal of CFO business:

- 95% of transactions will be posted on the next working day after receipt in the bank in respect of direct credits;
(In 2017-18 we achieved 100%⁵)
- 90% of receipts will be posted within seven days of the Registrar's payment date in respect of dividends;
(In 2017-18 we achieved 94%)
- 95% of transactions will be posted on the day of receipt in respect of cheques, cash and money orders;
(In 2017-18 we achieved 98%)
- 95% of regular payments will be paid on or before the due date;
(In 2017-18 we achieved 100%⁵)
- 95% of payments will be made within seven days of receiving the relevant paperwork in respect of payments made:
 - to minors reaching 18 years old;
 - on foot of a court order or invoice; or
 - on receipt of a Notice of Acceptance.

⁵ A small number of direct credits, regular and other payments and investment sales and purchases were outside the standard, however, performance, when rounded, is reported as 100%.

(In 2017-18 we achieved 100%⁵)

- 98% of transactions will be completed within seven days of the relevant trade date in respect of sales and purchases of stock;
(In 2017-18 we achieved 99%)
- 95% of confirmations that funds have been received by CFO will be issued within five working days of receipt of the funds in full in respect of minor cases;
(In 2017-18 we achieved 95%)

Enforcement of Judgments Office and Taxation Office Business

To facilitate the efficient disposal of EJO and Taxation Office business:

- Accept 95% of Enforcement Applications within ten working days;
(In 2017-18 we achieved 95%)
- Complete 85% of repossessions within 26 weeks of acceptance;
(In 2017-18 we achieved 98%)
- Produce summonses for interview in 90% of debt cases within five weeks of acceptance;
(In 2017-18 we achieved 93%)
- Produce 95% of Taxation Assessments within 15 working days;
(In 2017-18 we achieved 100%)

Enforcement of Judgments Business – Volumes and Performance

Business Volumes	2017-18	2016-17	% difference
Total money recovered by the Enforcement process	£7.79m	£8.05m	-3%
Notices of Intent to Enforce a Judgment	10,578	10,282	3%
Applications to Enforce a Judgment	6,323	4,795	32%
Applications for Repossession	591	653	-9%
Repossessions	354	403	-12%
Performance against a target of compliance			
Accept Enforcement Applications	95%	94%	1pp
Produce summons for interview	93%	92%	1pp
Completion of Repossessions	98%	98%	0pp

pp – percentage point

Court of Judicature of Northern Ireland Taxing Office Business

Business Volumes	2017-18	2016-17	% difference
Taxing Applications Lodged	1,308	1,278	2%
Taxing Assessments Completed	1,191	1,216	-2%
Performance against a target of compliance			
Produce Taxation Assessments	100%	99%	1pp

pp – percentage point

Parole Commissioners Secretariat

To facilitate the efficient delivery of support to Parole Commissioners:

- 95% of cases will be scheduled within five working days of receipt from DoJ;
(In 2017-18 we achieved 99%)
- 95% of all decisions will be issued within five working days of receipt from a Commissioner;
(In 2017-18 we achieved 100%)

Business Volumes	2017-18	2016-17	% difference
Lifers referrals received	85	68	25%
ICS/ECS referrals received	194	202	-4%
DCS referrals received	383	372	3%
Performance against a target of compliance			
Schedule cases	99%	99%	0pp
Issue decisions	100%	99%	1pp

pp – percentage point

Tribunals

- 90% of all Tribunal hearing dates will be offered within the specified number of weeks;
(In 2017-18 we achieved 97%)
- 80% of Mental Health Review Tribunal (MHRT) appeals will be disposed of within eight weeks of receipt⁶;
(In 2017-18 we achieved 90%)

⁶This standard is set by the Tribunal President.

The Appeals Tribunal

- 80% of appeals will be offered a first date of hearing within 11 weeks of the Hearing Type Enquiry return;
(In 2017-18 we achieved 93%)
- 95% of parties to the appeal will receive notification of the appeal hearing date 14 days in advance of the hearing;
(In 2017-18 we achieved 100%)

Tribunal Business – Volumes

Business Volumes Received	2017-18	2016-17	% difference
Total Tribunal Business	12,952	12,021	8%
Care Tribunal	4	3	33%
Charity Tribunal	5	8	-38%
Criminal Injuries Compensation Appeals Panel	344	306	12%
The Health and Personal Social Services Disqualification Tribunal	0	0	0%
Health and Safety Tribunal	0	1	-100%
Lands Tribunal	178	160	11%
Mental Health Review Tribunal	274	297	-8%
Northern Ireland Traffic Penalty Tribunal	531	609	-13%
Northern Ireland Valuation Tribunal	41	31	32%
Office of the Social Security and Child Support Commissioner	178	230	-23%
Pensions Appeal Tribunal	134	129	4%
Rent Assessment Panel	4	6	-33%
Special Educational Needs and Disability Tribunal	300	193	55%
The Appeals Tribunal	10,959	10,048	9%

Business Volumes Disposed	2017-18	2016-17	% difference
Total Tribunal Business	9,429	13,028	-28%
Care Tribunal	1	10	-90%
Charity Tribunal	7	5	40%
Criminal Injuries Compensation Appeals Panel	349	362	-4%
The Health and Personal Social Services Disqualification Tribunal	0	0	0%
Health and Safety Tribunal	0	0	0%
Lands Tribunal	160	134	19%
Mental Health Review Tribunal	275	295	-7%
Northern Ireland Traffic Penalty Tribunal	521	516	1%
Northern Ireland Valuation Tribunal	40	58	-31%
Office of the Social Security and Child Support Commissioner	191	252	-24%
Pensions Appeal Tribunal	137	137	0%
Rent Assessment Panel	2	5	-60%
Special Educational Needs and Disability Tribunal	254	218	17%
The Appeals Tribunal	7,492	11,036	-32%

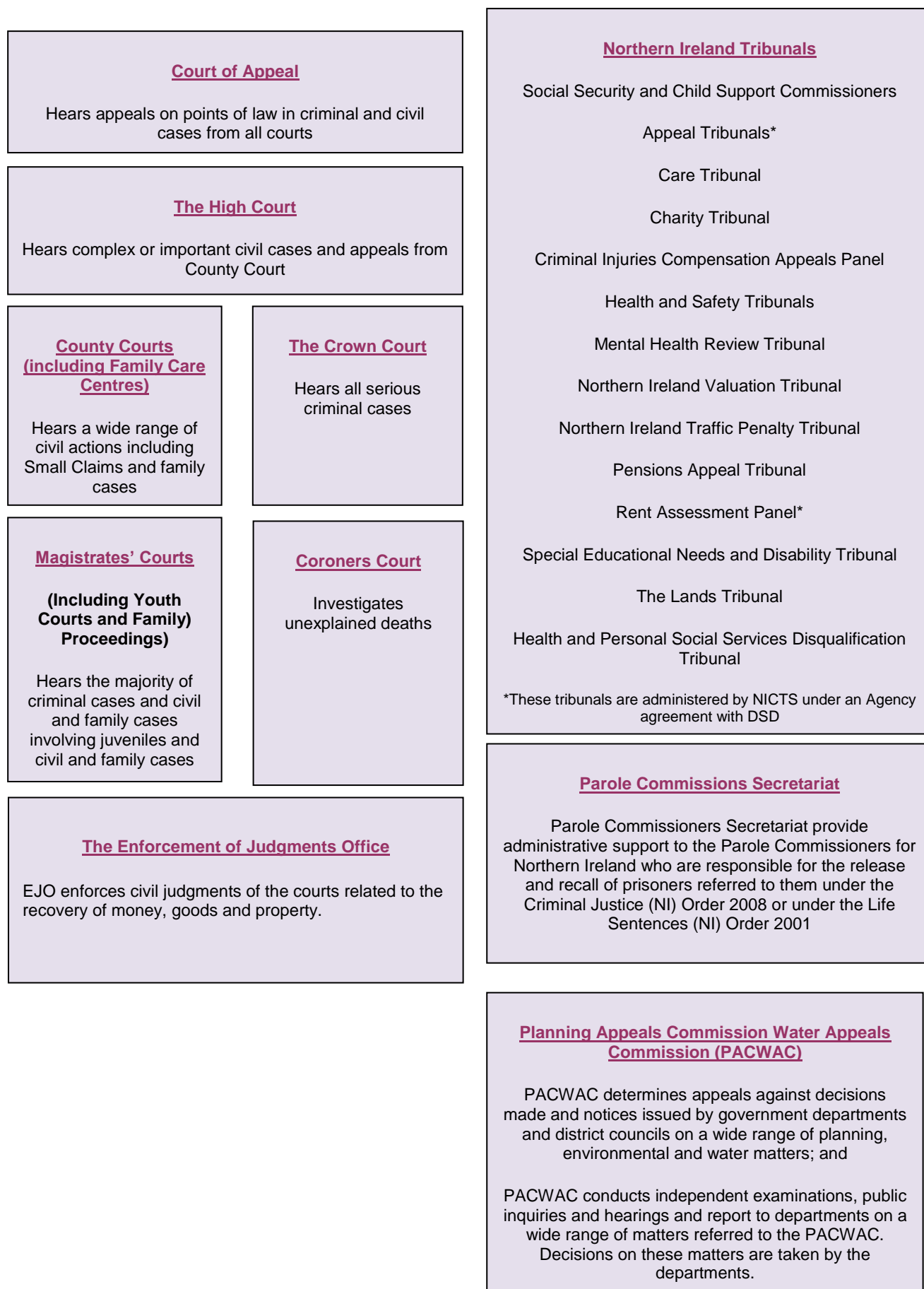
Appendix 1 Administrative Court Divisions



Administrative Court Division	Court venues within the Administrative Court Division	Local Government District
North Eastern	<ul style="list-style-type: none"> • Antrim • Ballymena • Coleraine • Limavady • Laganside Courts 	<ul style="list-style-type: none"> • Antrim and Newtownabbey • *Belfast • Causeway Coast and Glens • Mid and East Antrim
South Eastern	<ul style="list-style-type: none"> • Armagh • Craigavon • Downpatrick • Newry • Newtownards • Lisburn 	<ul style="list-style-type: none"> • Armagh, Banbridge and Craigavon • Newry, Mourne and Down • North Down and Ards • Lisburn and Castlereagh • *Belfast
Western	<ul style="list-style-type: none"> • Dungannon • Enniskillen • Londonderry • Omagh • Strabane • Magherafelt 	<ul style="list-style-type: none"> • Derry and Strabane • Fermanagh and Omagh • Mid Ulster

*The Belfast Local Government District Wards of Ladybrook, Dunmurry, Lagmore, Poleglass and Twinbrook are within South Eastern ACD.

Appendix 2 Northern Ireland Courts and Tribunals Structure



Appendix 3

Judicial Complement in Northern Ireland

Judicial complement of salaried and fee paid judicial officers in Northern Ireland as at 31 March 2018:

Lord Chief Justice	1
Lord Justices of Appeal	3
High Court Judges	10
County Court Judges	18
District Judges (Magistrates' Courts)	21
District Judges	4
High Court Masters	7
Social Security and Child Support Commissioners	2
Coroners	3*
Lands Tribunal Member	1
Appeal Tribunal Member	2
Total	72
Lay Magistrates	134
Fee Paid Tribunal members	373
Number of Deputy and fee paid Judicial Officers	58
Parole Commissioners	41
PACWAC Commissioners	18

* In addition, there are eleven salaried judges who hold the role of Coroner concurrently with their other judicial post

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