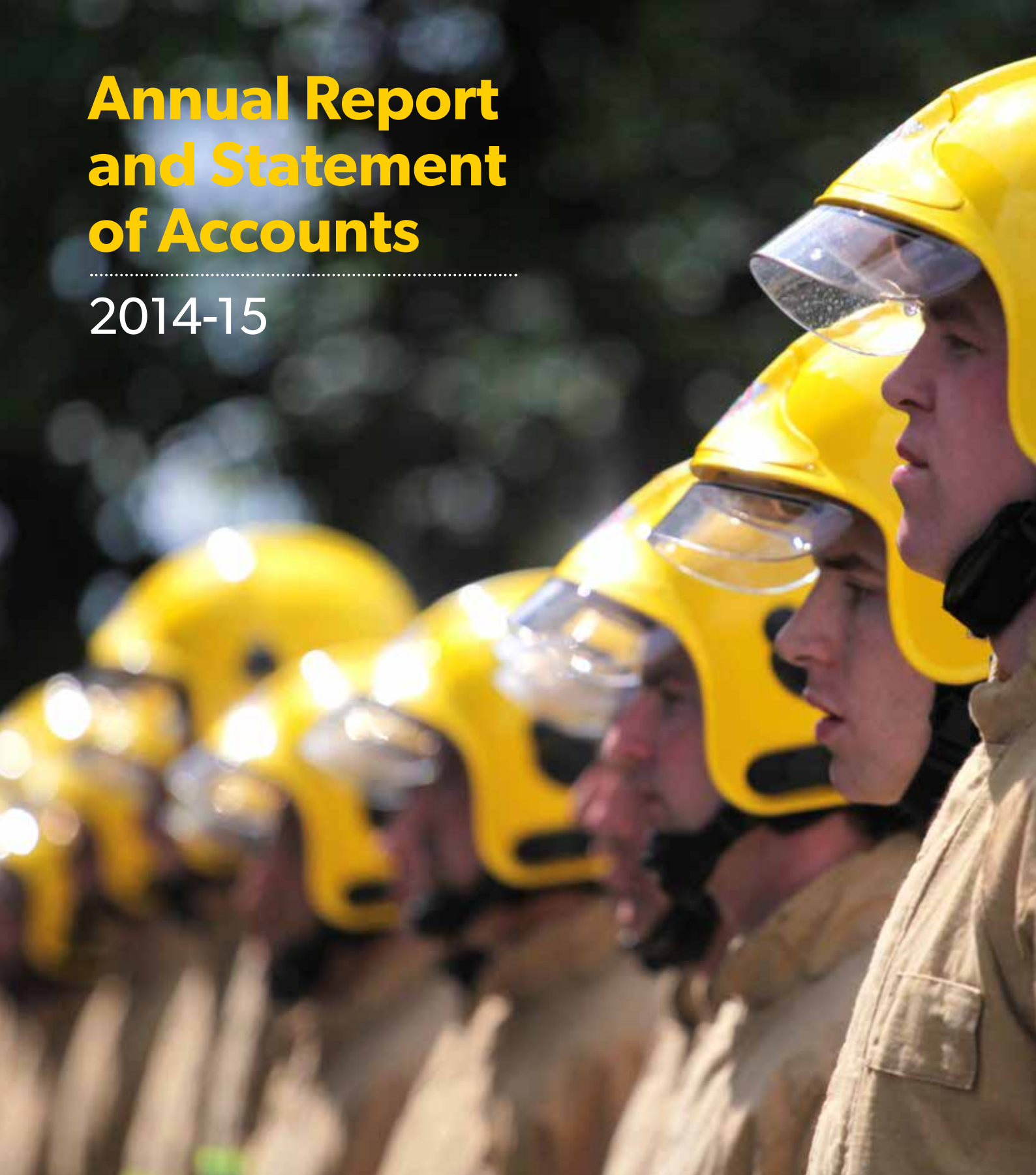


Annual Report and Statement of Accounts

2014-15



**Northern Ireland
Fire & Rescue Service**

Protecting Our Community





**Northern Ireland Fire & Rescue Service (NIFRS)
Annual Report and Accounts
For the year ended 31 March 2015**

The Accounting Officer authorised these financial statements for issue on 30th June 2015

Laid before the Northern Ireland Assembly under paragraphs 15 (5) and 16 (2) of Schedule 1, and paragraph 5 (4) of Schedule 2 to The Fire and Rescue Services (Northern Ireland) Order 2006 by the Department of Health, Social Services and Public Safety

on

31st July 2015



© Northern Ireland Fire & Rescue Service Copyright 2015

You may re-use this document/publication (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at: Northern Ireland Fire & Rescue Service Headquarters, 1 Seymour Street, Lisburn, Co Antrim, BT27 4SX or by emailing enquiries@nifrs.org

This publication is also available for download from our website at www.nifrs.org

CONTENTS

	Page No
Chairman's Introduction	6
Chief Executive's Foreword	7
Section 1: Strategic Report	
Who We Are	
1.1 Our Organisation	10
1.2 Our 6 Key Strategic Aims 2013-16	11
Measuring Our Performance in 2014-15	
1.3 Our Suite of Key Performance Indicators – Two Year Performance	13
1.4 Our Other Performance Measures for 2014-15	16
1.5 Overview of Our Performance & Key Achievements in 2014-15	17
Achieving Our Six Key Strategic Aims in 2014-15	
1.6 Responding to Emergencies in 2014-15	20
1.7 Developing a Safer Community in 2014-15	24
1.8 Managing Our Resources and Monitoring Our Performance in 2014-15	27
1.9 Supporting Our People in 2014-15	29
1.10 Governance and Accountability in 2014-15	32
1.11 Managing Change and Driving Improvement in 2014-15	34
Section 2: Directors' Report	
2.1 NIFRS Organisational Structure	36
2.2 Register of Interests	39
2.3 Pension Obligations	39
2.4 Attendance Management	39
2.5 Sustainability	39
2.6 Personal Data Related Incidents	39
2.7 Charitable Donations	39
2.8 Auditors' Remuneration	40
2.9 Accounts Direction and Going Concern	40
Section 3: Remuneration Report	
3.1 Governance Overview	42
3.2 Remuneration and Pension Interests for the year ended 31 March 2015	42
Section 4: Statement of Accounts 2014-15	
Annual Accounts	55

CHAIRMAN'S INTRODUCTION



“The challenge for us will be to manage with a reduced budget against even greater community expectations of public services and against an ever changing risk profile.”

DR JOE MCKEE OBE

Chairman
Northern Ireland Fire & Rescue Service

Dr Joe McKee, OBE, Chairman of the Northern Ireland Fire & Rescue Service Board, presents the Annual Report and Statement of Accounts for 2014-15.

On behalf of the Northern Ireland Fire & Rescue Service (NIFRS) Board, I am pleased to present our Annual Report and Statement of Accounts for 2014-15.

The Board is responsible to the Northern Ireland Assembly, through the Public Safety Minister and the Department of Health, Social Services and Public Safety (DHSSPS) for ensuring that everyone in Northern Ireland is provided with an effective, efficient and safe fire and rescue service to protect them.

This important public safety responsibility is instilled in our four new Board Members appointed during 2014-15 and, as a Board, we continue to deliver a first class operational response, whilst striving to consistently deliver all of our statutory requirements within our annual budget allocation. All of this has been done alongside the daily delivery of an impressive 24/7 emergency service to the community.

For NIFRS, like all public bodies, recent years have been financially challenging to say the least, with 2015-16 and the years beyond destined in many ways to be even more so.

The challenge for us will be to manage with a reduced budget against even greater community expectations of public services and against an ever-changing risk profile.

We play a central role in keeping our community safe in Northern Ireland and the public rightly holds our Firefighters in high esteem. I am pleased to say that despite all of our challenges in recent years, we have maintained public confidence in our ability to safeguard their safety.

The past year has been one of challenges, as well as opportunities, for the organisation with continued change and improvement in terms of governance, accountability and leadership. We remain committed to restoring full public confidence in these key areas.

As Chairman I want to pay tribute to all our staff for their readiness to adapt to new ways of working, their teamwork and their vision, which will ensure that we continue this pace and quality of improvement and transformation across the organisation.

As we look to another year ahead, we know there is still much work to be done to improve our organisation.

CHIEF EXECUTIVE'S FOREWORD

“Like all public bodies we are operating in a very challenging fiscal environment and difficult decisions have to be made, which will impact on what we can do going forward.”

JIM WALLACE

Interim Chief Executive
Northern Ireland Fire & Rescue Service



Jim Wallace, Interim Chief Executive of Northern Ireland Fire & Rescue Service reviews the past year's organisational performance and achievements.

I want to take this opportunity to review our performance over the past year and report on the work of the Northern Ireland Fire & Rescue Service (NIFRS) during 2014-15, which has made a real difference to the safety and well-being of our community in Northern Ireland.

NIFRS has come through a difficult few years with a series of well-documented external reviews and audits calling for change and transformation across the organisation. However we now have a clear direction of travel and continue to transform as an organisation.

Like all public bodies we are operating in a very challenging fiscal environment and difficult decisions have to be made, which will impact on what we can do going forward. We need to make the very best possible use of our resources and the budget we have available to us to protect our community.

We will continue to make efficiencies in order to provide an excellent value for money service to the community, whilst working closely with our partners to ensure that we are targeting the right resources, in the right places and at the right times to best protect those most at risk.

The Integrated Risk Management Planning (IRMP) process and resultant five-year plan, combined with other key strategy documents, provides the framework for aligning resources to risk across Northern Ireland and developing safe, effective and efficient service delivery. This is at the heart of everything we do and the bedrock of our Corporate Business Plan.

As we look to another challenging year ahead, we hope to further cement improvement and validate our direction of travel as we continue to build and improve our processes and governance.

Our 'business as usual' over the past year saw a decrease in both the number of emergency calls handled by our Regional Control Centre (33,992) and the number of emergency incidents our Fire Crews attended (22,781).

Preventing emergency incidents occurring in the first place is a key area for us. As part of our prevention work we carried out 6,958 home fire safety checks and fitted 5,146 smoke alarms across Northern Ireland.

During 2014-15 we continued to implement our Prevention & Protection Strategy, targeting those most at risk within our community. We have been reducing hoax calls year-on-year and during 2014-15 we achieved a further reduction of 15% due to our community engagement and education work. 2014-15 saw a small increase of 4% in deliberate primary fires (buildings, vehicles, etc); however there was a significant decrease of 16% in secondary fires (wildland, grass and rubbish).

Sadly eight people in Northern Ireland lost their lives in 2014-15 in accidental house fires; the same number as the previous year. We remain steadfast in our work towards zero deaths in Northern Ireland due to accidental house fires. For us one life lost is just one too many.

Making a difference to people's lives, protecting them and keeping them safe from emergencies, is the backbone of what we do, and going forward as an organisation and as a team we will continue to do that.





SECTION ONE
Strategic Report

WHO WE ARE

1.1

Our Organisation

Northern Ireland Fire & Rescue Service (NIFRS) protects and serves the entire population of Northern Ireland, an area of over 5,500 square miles and with a population of 1.81 million, providing them with a range of fire and rescue services.

Under The Fire and Rescue Services (Northern Ireland) Order 2006 and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011, we respond to fires, road traffic collisions and other emergencies including chemical, biological, radiological or nuclear incidents, search and rescue incidents, serious flooding and serious transport incidents.

We provide a range of community engagement initiatives to help reduce risk and keep people safe from the dangers of fire and other types of incidents that we respond to.

We have a dedicated 999 Regional Control Centre where all the Fire 999 calls for Northern Ireland are answered and Fire Crews mobilised to respond.

As an organisation we have a **shared vision**, a **clear mission** and **values** that underpin absolutely everything we do.

“*We provide a range of community engagement initiatives to help reduce risk and keep people safe from the dangers of fire and other types of incidents that we respond to.*”

OUR VISION

Protecting Our Community

OUR MISSION

To deliver a fire and rescue service and work in partnership with others to ensure the safety and well-being of our community.

OUR VALUES

We value our **People**, keeping them safe and well-trained;

We value **Leadership** and leading by example;

We value **Teamwork** and working together;

We value the utmost **Integrity** in everything we do;

We value **Diversity**, equality and fairness and we consider the needs of our staff and the community we serve;

We value open and honest **Communication** with our staff and with all our stakeholders;

We value working in **Partnership**;

We value the pursuit of **Excellence** and continuous improvement at all levels of our organisation.

1.2

Our 6 Key Strategic Aims 2013-16

As an organisation we have 6 overarching Strategic Aims that drive all aspects of our core business in providing the most effective, efficient and safe service possible to protect our community.

OUR STRATEGIC AIMS

STRATEGIC AIM 1

RESPOND TO EMERGENCIES

To provide an efficient, effective and resilient emergency response with resources aligned to risk.

STRATEGIC AIM 2

DEVELOP A SAFER COMMUNITY

Reduce the incidence of fire and other emergencies by the provision of a targeted efficient and effective safety education, advice and legal enforcement service.

STRATEGIC AIM 3

MANAGE RESOURCES AND MONITOR PERFORMANCE

Ensure the effective and efficient use of resources to provide value for money based on integrated risk management.

STRATEGIC AIM 4

SUPPORT OUR PEOPLE

Provide a well-equipped, competent and highly motivated workforce which reflects the community we serve.

STRATEGIC AIM 5

GOVERNANCE AND ACCOUNTABILITY

In line with our values, and robust governance and scrutiny, operate in accordance with appropriate legislation, ensuring safety, sustainability and partnership are central to all our activities.

STRATEGIC AIM 6

MANAGE CHANGE AND DRIVE IMPROVEMENT

Manage change and improvement through identification of best practice in line with the needs and expectations of all our stakeholders.

MEASURING OUR PERFORMANCE IN 2014-15

As a Fire & Rescue Service we are accountable to everyone in Northern Ireland and it is important for us as an organisation to let our community know what we have delivered for them over the past year against our key targets.

We are committed to governance, accountability, scrutiny and continuous improvement. With that comes the need for measurability. We therefore have a very clear focus on measuring how we perform - so that we can be accountable for it. We want to recognise what we have achieved, as well as identify the key areas where we need to improve to ensure we continue to deliver the very best possible service to the public.

We use Key Performance Indicators (KPIs) and associated key targets agreed with DHSSPS to measure and monitor our performance as an organisation.

We also use other performance measures which measure and monitor a wide range of our core fire and rescue service activities.

Our KPIs, key targets and other performance measures monitor how we are delivering as an organisation on our key Strategic Aims.

We use the following section to report on our organisation's performance against our key targets over the past year (2014-15).



1.3

Our Suite of Key Performance Indicators – two year performance

As part of our extensive organisational improvement and change programme, in April 2013 we developed and introduced a comprehensive suite of Key Performance Indicators (KPIs) to measure our performance and monitor our success going forward.

These KPIs have been agreed with DHSSPS (see table below).

We have assessed our past year's performance (2014-15) against these Key Performance Indicators, associated targets and prior year performance.

Key Indicator	Baseline 2012-13	Performance 2013-14	Performance 2014-15
<p>KPI 1 999 Emergency Response</p> <p>Achieve and maintain local 999 emergency response standard of 75% of appliances attending an incident within the set target times.</p> <p>Response Area Response Target</p> <p>1st Appliance</p> <p>High 75% within 6 minutes</p> <p>Medium 75% within 12 minutes</p> <p>Low 75% within 21 minutes</p> <p>2nd Appliance</p> <p>High 75% within 9 minutes</p> <p>Medium 75% within 15 minutes</p> <p>Low 75% within 24 minutes</p>	No Baseline		
<p>KPI 2 Operational Resource Availability</p> <p>Achieve and maintain a mobilisation alert time by the Regional Control Centre of 70% of emergency 999 calls within 60 seconds, 90% within 90 seconds and 99% within 120 seconds.</p> <p>999 Mobilisation Response Target</p> <p>70% within 60 seconds</p> <p>90% within 90 seconds</p> <p>99% within 120 seconds</p>	No Baseline		
<p>KPI 3 Number of Fatalities in Primary Fires</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of fatalities in primary fires from the 2012-13 baseline.</p>	15	10	11

Key Indicator	Baseline 2012-13	Performance 2013-14	Performance 2014-15
<p>KPI 4 Number of Non-Fatal Casualties in Primary Fires*</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of non-fatal casualties in primary fires from the 2012-13 baseline.</p>	No Baseline	-	158
<p>KPI 5 Number of Primary Fires</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of primary fires from the 2012-13 baseline.</p>	3,063	3,049	3,138
<p>KPI 6 Arson (Deliberate Fire) Incidents</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of deliberate primary fires from the 2012/13 baseline. (Target 2014-15-1,251)</p> <p>Reduce by 4% year-on-year (20% reduction by 2018) the number of deliberate secondary fires from the baseline average figure of the last 5 years. (Target 2014-15-4,588)</p>	1,303	1,260	1,308
<p>KPI 7 Average number of Working Shifts/Days lost to Sickness</p> <p>Achieve an average of 7 days/shifts lost per year by 2018. (Target 2014-15-9.7 days/shifts)</p>	11.5	10.4	9.8
<p>KPI 8 Firefighter Safety</p> <p>Achieve a 10% year-on-year reduction on attacks on Firefighters and damage to appliances from the 2012-13 figures. (Target 2014-15-25)</p>	31	17	26

Key Indicator	Baseline 2012-13	Performance 2013-14	Performance 2014-15																																												
<p>KPI 9 Reportable Accidents and Injuries</p> <p>Reduce reportable accidents in the workplace by 10% and major accidents and injuries by 5% year-on-year from the 2012-13 figures. (Target 2014-15 outlined in table below)</p> <table border="0"> <tr> <td>Reportable Accidents</td> <td>Total 29</td> <td>Reportable Accidents</td> <td>Reportable Accidents</td> </tr> <tr> <td>Wholetime Target 2014-15</td> <td>14</td> <td>Wholetime</td> <td>21</td> </tr> <tr> <td>Retained Target 2014-15</td> <td>10</td> <td>Retained</td> <td>22</td> </tr> <tr> <td>Control Room Target 2014-15</td> <td>-</td> <td>Control Room</td> <td>-</td> </tr> <tr> <td>Support Staff Target 2014-15</td> <td>-</td> <td>Support Staff</td> <td>1</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2</td> </tr> <tr> <td>Major Accidents & Injuries</td> <td>Total 2</td> <td>Major Accidents & Injuries</td> <td>Major Accidents & Injuries</td> </tr> <tr> <td>Wholetime Target 2014-15</td> <td>2</td> <td>Wholetime</td> <td>1</td> </tr> <tr> <td>Retained Target 2014-15</td> <td>-</td> <td>Retained</td> <td>-</td> </tr> <tr> <td>Control Room Target 2014-15</td> <td>-</td> <td>Control Room</td> <td>-</td> </tr> <tr> <td>Support Staff Target 2014-15</td> <td>-</td> <td>Support Staff</td> <td>-</td> </tr> </table>	Reportable Accidents	Total 29	Reportable Accidents	Reportable Accidents	Wholetime Target 2014-15	14	Wholetime	21	Retained Target 2014-15	10	Retained	22	Control Room Target 2014-15	-	Control Room	-	Support Staff Target 2014-15	-	Support Staff	1				2	Major Accidents & Injuries	Total 2	Major Accidents & Injuries	Major Accidents & Injuries	Wholetime Target 2014-15	2	Wholetime	1	Retained Target 2014-15	-	Retained	-	Control Room Target 2014-15	-	Control Room	-	Support Staff Target 2014-15	-	Support Staff	-			
Reportable Accidents	Total 29	Reportable Accidents	Reportable Accidents																																												
Wholetime Target 2014-15	14	Wholetime	21																																												
Retained Target 2014-15	10	Retained	22																																												
Control Room Target 2014-15	-	Control Room	-																																												
Support Staff Target 2014-15	-	Support Staff	1																																												
			2																																												
Major Accidents & Injuries	Total 2	Major Accidents & Injuries	Major Accidents & Injuries																																												
Wholetime Target 2014-15	2	Wholetime	1																																												
Retained Target 2014-15	-	Retained	-																																												
Control Room Target 2014-15	-	Control Room	-																																												
Support Staff Target 2014-15	-	Support Staff	-																																												
<p>KPI 10 Efficiency Savings</p> <p>Achieve a breakeven target of 0.25% or £20k (whichever is greater) of revenue allocation for 2014-15. (Target 2014-15-0.25%)</p> <p>Capital expenditure - achieve a target within 0.25% of capital allocation for 2014-15 (Target 2014-15-0.25%)</p>	No Baseline	0.17%	0.09%																																												
	No Baseline	10.7%	0.00%																																												
<p>KPI 11 Energy Conservation</p> <p>Reduce total NIFRS CO₂ emissions by a minimum of 10% by 2018 or as directed by the NI Executive/UK Government. (Target to be set out in September 2015 as part of the Estates Strategy)</p>	No Baseline	-	Targets will be set in the Estates Strategy, currently scheduled for September 2015.																																												
<p>KPI 12 Increase Efficiency**</p> <p>Implement an Organisational-wide Improvement Programme to achieve efficiency targets as directed by the NI Executive. (Target 2014-15-2.5% reduction in revenue spend)</p>	No Baseline	-	2.5% reduction in revenue spend																																												

*New method of data collection introduced April 2014 – no comparator information available for 2013-14.

** New measure for 2014-15

1.4

Our Other Performance Measures for 2014-15

We have a range of other performance measures that we use in addition to the above KPIs. As an organisation tasked with protecting our community, here is how we have performed at-a-glance during the past year (2014-15):

Performance Measurement	2014-15 Statistics	Previous Year 2013-14 Statistics	Percentage Increase/ Decrease
999 Calls Received and Managed by Regional Control Centre	33,992	36,328	6.4% decrease
Incidents Mobilised	22,781	24,049	5.3% decrease
Number of Hoax Calls	1,614	1,901	15.1% decrease
Mobilisations to Hoax Calls	442	488	9.4% decrease
Major Fires Attended	3,138	3,049	2.9% increase
Major Fire Fatalities	11	10	10.0% increase
Accidental Dwelling Fires	923	898	2.8% increase
Dwelling Fire Fatalities	8	8	No change
Major Fire Rescues	213	182	17.0% increase
Road Traffic Collisions Attended	720	706	2.0% increase
Road Traffic Collision Fatalities (only at RTCs NIFRS attended)	45	31	45.2% increase
Road Traffic Collision Rescues	567	575	1.4% decrease
Special Service Calls Attended (Excludes RTCs)	1,775	1,728	2.7% increase
Special Service Call Fatalities (Excludes RTCs)	39	27	44.4% increase
Special Service Call Rescues (Excludes RTCs)	737	760	3.0% decrease
Home Fire Safety Checks carried out across NI	6,958	9,590	27.5% decrease
Fire Safety Leaflets Distributed	142,736	158,542	10.0% decrease
Number of Smoke Alarms fitted in homes across NI	5,146	5,725	10.1% decrease
Number of Unwanted Fire Signals attended	7,641	7,699	0.8% decrease
Attacks on Firefighters	110	118	6.8% decrease
Number of Gorse Fires	1,499	2,087	28.2% decrease
Number of Secondary Fires	4,864	5,802	16.2% decrease

NB All percentages have been rounded up to one decimal place for reporting purposes

1.5

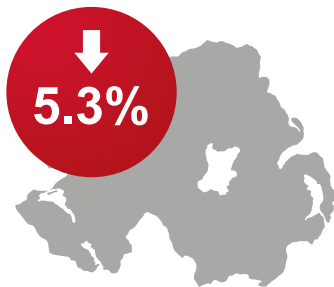
Overview of Our Performance and Key Achievements in 2014-15

We have a range of other performance measures that we use in addition to the above KPIs.



During 2014-15, we received a total of 33,992 emergency calls for help to our Regional Control Centre, which represented a 6.4% reduction in calls received compared to the previous year. We responded to a total 22,781 emergency incidents across Northern Ireland, representing a 5.3% reduction in our mobilisations to incidents in 2014-15 when compared to 2013-14.

**emergency incidents
across northern ireland**



Through our community engagement work during 2014-15, we targeted those most at risk in our community to help save more lives and keep people at risk safe. Sadly the number of lives lost in accidental house fires in Northern Ireland was 8 in 2014-15, which is the same as those lost in the previous year. It is a tragedy that anyone should lose their life in an accidental house fire and we are striving to reach a stage with our prevention work where this figure is zero in Northern Ireland – that has to be our goal.

During 2014-15, we commenced implementation of our new Prevention & Protection Strategy which incorporates our 'People at Risk' Strategy. We have endeavoured to establish greater links with agencies that work directly with people most at risk, with the aim of reducing the number of accidental house fires occurring in the first place. This will help further reduce the number of people that need our help and are rescued from major fires and will ultimately help keep the most vulnerable and at risk in our community safe from fires and other emergencies.

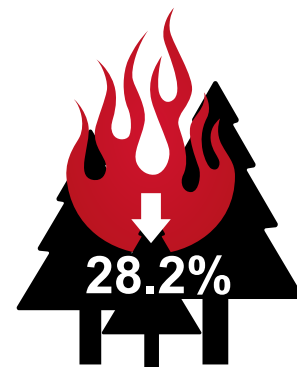
People rescued



Year-on-year we have been reducing hoax calls and again this year (receiving 1,614) we have further reduced the number by just over 15%. We also reduced our mobilisations to hoax calls by 9.4% from the previous year as a result of our Regional Control Centre personnel's call challenging techniques. Similar reduction trends are also evident with attacks on our Firefighters being reduced by 6.8% this year. One attack on any Firefighter is one too many; however this reduction, coupled with the reduction in hoax calls, is testament to our ongoing education and awareness campaigns with young people on the consequences of such anti-social behaviour.



During 2014-15, our Firefighters carried out a total of 6,958 free home fire safety checks targeting the most vulnerable demographics of our community (our most at risk groups, such as older and vulnerable people, young people, etc). They also fitted 5,146 smoke alarms in homes across Northern Ireland. Smoke alarms save lives. It is essential that homes are fitted with smoke alarms to alert people to the earliest stages of a fire and ultimately help to save lives. Smoke alarm ownership in Northern Ireland over the past year equated to 98% and we continue to educate the public about the importance of maintaining and testing their smoke alarms.



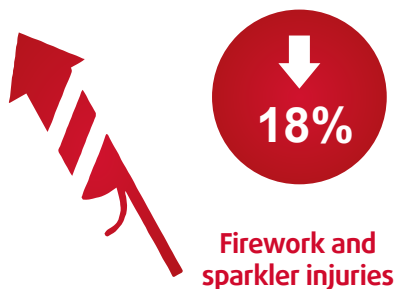
During 2014-15, we attended 1,499 gorse fires, a reduction of 28.2% from 2013-14. This reduction in gorse fires contributed towards the 16.2% decrease in overall secondary fires (wildland, grass, rubbish, etc attended during 2014-15) (4,864) from the previous year (5,802).

During 2014-15, our revised response to False Alarm and Unwanted Fire Signals, as outlined in the False Alarm and Unwanted Fire Signals Policy, resulted in a further reduction in the number of unwanted fire signals we attended in 2014-15 and we aim for a continual reduction in this area next year.



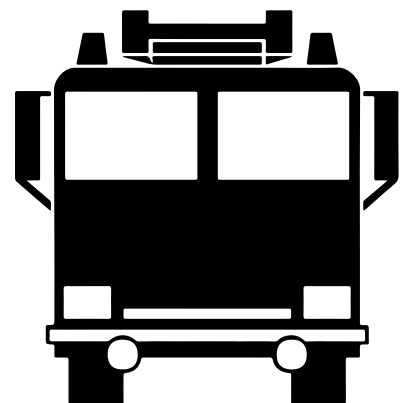
Fire Crews attended 720 road traffic collisions (RTCs) during 2014-15 which equated to a 2% increase compared to the previous year. They also rescued 567 people from RTCs representing a decrease of 1.4%. In 2014, 79 people tragically lost their lives on Northern Ireland's roads compared to 57 in 2013 (PSNI Road Death Statistics) and along with our road safety partners, Department of the Environment (DoE), the Police and Ambulance Service, we work hard to encourage road users to 'Share the Road to Zero' and aim towards zero road deaths in Northern Ireland in the year ahead.

As a modern Fire & Rescue Service, we respond to a wide range of emergencies, our expertise and skills are required at special service calls, such as collapsed buildings, chemical incidents, flooding, farm rescues and we assist other agencies in body recovery during some of these incidents. Throughout 2014-15, specialist teams trained in these unique areas attended 1,775 specialist rescue incidents (an increase of 2.7% from the previous year) and rescued 737 people (a decrease of 3% from the previous year). Tragically 39 people lost their lives in these types of incidents.



Yet again this year our Halloween Safety Campaign 2014 worked extremely well. On Halloween night we received 141 calls and attended 102 incidents across Northern Ireland. This is the lowest figure recorded for 31 October and represents a decrease of 18% on incidents attended during Halloween 2013.

Attendance Management is an area we have made good strides in over the past year, reducing the working days/shifts lost to sickness and absence by NIFRS staff by 5.8% (from 10.4 days/shifts lost in 2013-14 to 9.8 in 2014-15). Although we did not meet our set target of 9.7 days/shifts lost, there was a significant reduction over the course of the year and we remain committed and going in the right direction to meet our ambitious target of 7 days/shifts lost by 2018.



How does Our Community think we have Performed during 2014-15?

To monitor and measure the public's perception of the service we provide, we carried out a number of customer satisfaction surveys during 2014-15 with excellent results.

During the past year we received a total of 201 public appreciations. We received

34 informal complaints and seven formal complaints in relation to our operational service delivery (this was a decrease of 30% in informal complaints compared to 47 in 2013-14). We have a clearly defined Complaints Procedure which can be found on our website and we are fully committed to investigating all

complaints, whether verbal or in writing, and addressing an individual's dissatisfaction in relation to any action taken or service provided by NIFRS.

Our Financial Performance in 2014-15

In 2014-15 the opening total revenue resource (in respect of cash costs) for operational activities made available from DHSSPS to NIFRS was £73.839m which was revised in subsequent monitoring rounds to £71.143m.



The financial KPI on Efficiency Savings is as follows:

- Achieve a breakeven target of 0.25% or £20k (whichever is greater) of revenue allocation for 2014-15. We achieved this target in 2014-15 (0.09%).
- Achieve a target within 0.25% of capital allocation for 2014-15. We achieved this target in 2014-15 (0.00%).

We, like all public bodies, continue to operate in a climate of austerity and the financial pressure to operate on reducing budgets shows no signs of easing in the coming years. Over the past year

(2014-15) we developed a 5-Year Efficiency Plan to cope with these ongoing financial pressures year-on-year.

During 2014-15, it cost on average £3,121 for each mobilisation to an emergency incident. This calculation is based on the total revenue expenditure (relating to cash RRL activity) divided by the number of mobilised incidents in 2014-15.



ACHIEVING OUR SIX KEY STRATEGIC AIMS IN 2014-15

Our six key Strategic Aims 2013-16 drive all aspects of our fire and rescue service core business to protect our community. The following section highlights how we have contributed over the past year 2014-15 to the achievement of our six overarching Aims as an organisation.

1.6 Responding to Emergencies in 2014-15

Our Strategic Aim 1

To provide an efficient, effective and resilient emergency response with resources aligned to risk.

Some Emergency Incidents of Note during 2014-15

- **Animal Rescue - Kilkeel - 30 March 2015**

On the evening of 30 March 2015, we responded to a report of a number of farm animals having fallen into a slurry tank at a farm at Grove Road in Annalong, Kilkeel, County Down. Firefighters from Kilkeel and Newcastle Stations, accompanied by Special Rescue Teams and Animal Rescue Units, attended the incident. All 12 animals were successfully rescued from the slurry tank.



- **Restaurant Fire - Londonderry – 11 March 2015**

At 12:53 on 11 March 2015, we received a call to attend a restaurant fire at Lower Clarendon Street, Londonderry. The initial fire in the kitchen spread to ducting within the restaurant, the main part of the premises and into the adjacent restaurant which was also badly damaged. A nearby hairdressing salon was also smoke-logged.

The first crews on the scene deployed two firefighters in breathing apparatus (BA) with one hose reel jet and found the ground floor to be badly smoke logged. Further resources with two teams of two firefighters in breathing apparatus were added to search the area.

Soon afterwards the adjacent two blocks of five-storey apartments were evacuated and crews worked to provide a fire stop on both sides of the main fire.

To make further breathing apparatus (BA) wearers available, the order was given to 'make pumps 15' and with three aerial appliances, the rescue tender, two command support units, a high volume water pump and the NIFRS specialist rescue team vehicle, 23 appliances were called into use.

The scale of the operation meant resources being brought from many different parts of Northern Ireland, as well as being tasked to stand-by in Stations where crews had been committed to the incident. A total of 130 firefighters were involved in this protracted incident which also required relief crews to be used.

The 'Stop' message was issued at 12:03 on 12 March 2015. Damage was extensive to the premises involved but there were no injuries reported.



Overview of restaurant fire, Londonderry

- **Ship Fire - Warrenpoint – 4 November 2014**

At 08:25 on 4 November 2014, the Regional Control Centre received an emergency call to a fire involving a grain ship in Warrenpoint Harbour carrying animal feed. Crews were mobilised and assessments carried out to deal with the vessel which contained 3,300 tonnes of grain. There were two points of fire in the animal feed. Temperature readings in the hold allowed the hatches to be opened while crews stood by with covering jets on board and on shore. Burning materials were removed from the holds and dealt with on the quayside.

Resources from Warrenpoint, Newry, Killeel and Rathfriland Stations attended with specialist appliances from Portadown and Lisburn. The Services Marine Teams were also mobilised to the incident. Crews were engaged in operations for over 9 hours.

- **Flooding Incidents – Belfast Area – 16 October 2014**

We received a number of calls for assistance after heavy rain caused flooding in Belfast and the surrounding area on the afternoon and evening of 16 October 2014. At Finaghy in South Belfast, crews used manual handling skill techniques after a car had stopped in flood waters, while some houses suffered flooding in the area. Other incidents were reported in the Fortwilliam and Glengormley areas.



Flooding Incident, Belfast area

- **Working in Partnership to Improve Public Safety**

As an Emergency Service we work in close partnership with a range of other agencies when responding to emergency incidents. Throughout the year we signed one new and renewed a number of Memorandums of Understanding (MoUs) with various partner agencies to reinforce and strengthen our co-operation and systems of work when responding to and in preparation for emergency incidents. This partnership work greatly enhances public safety.



Multi-agency Response

- **NIFRS and Leitrim Fire Service sign MOU – September 2014**

In September 2014 we signed a new Memorandum of Understanding (MOU) with Leitrim Fire Service covering road traffic collisions on the Leitrim-Fermanagh border. This agreement recognises that both Services may be mobilised to and work together on the same road traffic collision and outlines the roles and responsibilities of both Services and facilitates the sharing of good practice both on-scene and in the training environment.

- **Emergency Training Exercises and New Capabilities to Enhance Firefighter and Public Safety**

Throughout 2014-15 we participated in numerous live multi-agency emergency training exercises to help test our operational response, procedures and resilience in various emergency scenarios and to validate procedures for working with other partner agencies. We also launched a new North West Flood Response Team to help fulfil our new statutory duty in respect of flooding.

Protecting our community and keeping our Firefighters safe and well trained is always our top priority, such exercises and capabilities ensure we meet and exceed our statutory responsibility as a Fire & Rescue Service. Examples of exercises undertaken include:

- **Road Traffic Collision Incident Response – May 2014**

During May 2014 we participated in a large multi-agency training exercise involving partners from PSNI, NIAS, Translink and Strabane Community Rescue. The scenario for the exercise was a road traffic collision involving a double-decker bus and two vehicles. Persons were trapped in the cars and various injuries were noted on both levels of the bus.

This emergency training exercise gave us an excellent opportunity to not only test our own plans and procedures but it also enabled us to work together with our colleagues in Police, Fire and Translink at the scene of a double-decker bus crash.



Multi-agency Training Exercise

- **Marine Incident Response
September 2014**

In partnership with Warrenpoint Harbour Authority, HM Coastguard, Seatruck Ferries and the Royal National Lifeboat Institution, we held a marine emergency training exercise in Warrenpoint to test operational command and response to a marine incident complicated by the presence of hazardous materials, missing persons and an incident involving NIFRS personnel.

The exercise, called “keeled over”, involved a staged toxic chemical spill on board a cargo ship. On response, crews were informed that some crew members were missing and during the operation an NIFRS crew member fell into the water.

The exercise was extremely valuable and there are learning points for all of the agencies involved. This will ultimately enhance inter-agency working between the emergency responders and other key stakeholders.



Firefighters enroute to the scene of a staged toxic chemical spill on-board a cargo ship

- **Integrated Risk Management Planning (IRMP)**

Integrated Risk Management Planning (IRMP) is at the core of everything we do as an organisation. It is our framework for delivering an effective, efficient and safe service and it aligns resources to risk. During 2014-15 there has been significant risk-based project work undertaken to develop our Integrated Risk Management Plan (IRMP) 2015-20 for Northern Ireland.

Our four key IRMP objectives are:

- 1 To conduct a community risk assessment of Northern Ireland.
- 2 To increase the level of community safety.
- 3 To enhance our emergency response capability.
- 4 To ensure the most effective and efficient use of our operational resources.

The four key projects and pillars of our IRMP 2015-20 are:

- 1 Station Area Risk Profiling Exercise.
- 2 Our Prevention and Protection Strategy.
- 3 Emergencies Order (NI) 2011: Specialist Rescue Strategy.
- 4 Resource Management Review and Efficiency Plan.

We will be publicly consulting on the IRMP 2015-20 shortly and will be keen to get as many people as possible involved in this consultation to help shape the future provision of fire and rescue services across Northern Ireland.

- **Launch of Specialist Rescue and Flooding Resources for New Statutory Duties**

During 2014 we enhanced our specialist rescue operations to ensure that we meet our statutory duties in relation to a range of specialist rescue and flooding emergencies.

An additional 12 trained personnel joined our Specialist Rescue Team (SRT) enabling the Team to operate a full-time specialist rescue operational response across Northern Ireland. The Team of 28, based at Central Fire Station, can be called on 24/7, 365 days a year to a range of specialist rescue emergencies, such as major transport incidents, significant building collapse (urban search and rescue), confined space rescue, rope rescue and flooding incidents. During 2014-15 our Specialist Rescue Team attended 233 incidents.

In addition, we have also developed a new flooding response capability based at Whitla Fire Station in Belfast, with specially trained personnel to provide an emergency response to serious widespread flooding incidents across Northern Ireland.

These enhancements ensure we are better prepared to meet our statutory responsibilities, whilst not only strengthening public safety but also Firefighter safety when responding to incidents.

1.7 Developing a Safer Community in 2014-15

Our Strategic Aim 2

Reduce the incidence of fire and other emergencies by the provision of a targeted efficient and effective safety education, advice and legal enforcement service.

Community Education and Engagement in 2014-15

Targeting community education and engagement based on risk was paramount for us throughout 2014-15 in our work to prevent emergencies occurring in the first place. We carried out a total of 6,958 free Home Fire Safety Checks, fitted 5,146 smoke alarms in homes and distributed 142,736 fire safety leaflets across Northern Ireland.

Through our youth engagement and outreach work we held nine Local Intervention Fire Education (LIFE) Schemes involving 114 young people (13-17 year olds), giving them an opportunity to work with our Firefighters and find out about the work we do in the community. We also held one LIFE Scheme with the Prince's Trust, with 13 young people attending. We held one Road Accident Consequences Education (RACE) Scheme with 13 young people.

Addressing anti-social behaviour issues (essentially community problems in Northern Ireland, eg deliberate fire-setting, hoax calls and attacks on Firefighters) continues to be a focus for us. Testament to our tireless work in this area, we have been reducing the incidence of these problems year-on-year. During 2014-15 we have been successful in reducing the overall number of hoax calls by just over 15% and reducing attacks on our Firefighters by 6.8%.

Through the revision of our Unwanted Fire Signals Policy, which outlines our process in dealing with Unwanted Fire Signals (and repeat offenders), we reduced these from 7,699 in 2013-14 to 7,641 in 2014-15. Through the year ahead we hope to reduce this even further.

Protecting those Most at Risk from Fire in Our Community

In 2014-15 we continued to explore a range of measures and engaged with key partner agencies to help us protect the most at risk groups in our community from fire (those aged 65 and over, young people, people with disabilities, etc). Following public consultation we formally implemented our new Prevention & Protection Strategy 2014-19. The

Strategy sets out how, over the next five years, NIFRS plans to help protect everyone in our community from the dangers of fire and other emergencies. We have incorporated a range of views from members of the public, interested stakeholders and those with particular interest in 'at risk' groups into the Strategy. The Prevention & Protection Strategy will provide the blueprint for how we protect the most at risk in our community over the next five years. It is one of the key pillars of our Integrated Risk Management Plan 2015-20.

Good Morning Northern Ireland Network

As part of our People at Risk Strategy, we have signed a Memorandum of Understanding with the Good Morning Northern Ireland Network (GMNIN) to help NIFRS identify and reach those people at greatest risk from fire. The GMNIN operates across 22 areas in Northern Ireland, covering most of the major cities and towns, and operates a network where it maintains regular contact with the elderly, the lonely and those with medical conditions to make their lives more complete. GMNIN is raising awareness of fire safety in the home, informing their members of the NIFRS Home Fire Safety Check Scheme and encouraging their members to avail of this service. The benefit of the link-up with the GMNIN is that NIFRS is now getting into the homes of people who would previously have been reticent to engage with NIFRS when approached via our previous cold calling process.



Good Morning Northern Ireland Coleraine Network

Protecting People with Disabilities from Fire

In August 2014 we teamed up with Leonard Cheshire Disability NI (LCD) in a potentially lifesaving partnership to help protect people with disabilities from fire within our community.

Both organisations have signed a unique formal agreement that will see LCD, the leading charity supporting people with disabilities in Northern Ireland, collaborate with local Firefighters to identify and prioritise free Home Fire Safety Checks for this vulnerable 'at risk' group.

In cases of high risk, where a disability affects a person's ability to be aware of a fire or escape from a fire in their home, LCD will consider funding new assistive technologies, such as portable mist systems, vibrating smoke alarms or cooker shut-off systems, to provide enhanced protection and reduce the risk of fire occurring in the first place.

Tonya McCormac, Director of Operations NI, Leonard Cheshire Disability NI, said:

"By working in partnership with NIFRS we are able to deliver a co-ordinated approach to fire safety using new technologies and innovation to reduce the potential risk of fire for people with disabilities. We are delighted to have this opportunity to work more closely with NIFRS and are fully committed to enhance fire protection and prevention for disabled people in their own homes."



Pictured L-R - Dame Mary Peters, Tonya McCormac, Director of Operations NI, Leonard Cheshire Disability, Laverne Duffy, Resident, Dale Ashford, Assistant Chief Fire Officer, NIFRS

Student Fire Safety Campaign - North South Fire Safety Week 2014

During Fire Safety Week 2014 we targeted the rented sector within our community and its overall focus was on 'Protecting those Most at Risk from Fire'.

As the enforcing Authority, NIFRS is focusing on landlords and letting agents, as well as those who live in Houses of Multiple Occupancy (HMOs), to help stop fire and protect those in this particularly at risk group. NIFRS wants all landlords and letting agents across Northern Ireland to ensure their properties are legally compliant and fire safe. We want to ensure that they are doing all they possibly can do to protect people in HMOs from the dangers of fire.

At the start of the new academic year, Firefighters visited all Northern Ireland University and College campuses to give out fire safety advice, leaflets and information to help students to stay fire safe in their shared or rented accommodation.

Fire Safety Volunteers

During 2014-15 NIFRS, in partnership with Volunteer Now, implemented a pilot Volunteer Scheme in the Lisburn area to help support the delivery of fire safety in the local community. The pilot ran from 28 April to 7 July 2014 and during this time the volunteers acted as ambassadors assisting NIFRS in targeting the people most at risk from the dangers of fire, offering them fire safety advice to help keep them safe from fire in the home.



Fire Safety Volunteers, Lisburn, with Dale Ashford, Assistant Chief Fire Officer, NIFRS

Prince's Trust

During 2014-15 NIFRS, in association with the Prince's Trust Team, worked with young people in developing confidence and learning new skills, hopefully leading to employment, training or a return to education. NIFRS continues to engage with the Prince's Trust in 'Team' and 'Get Started' programmes which are focused on seeking employment opportunities for young people.



Prince's Trust team at Westland Fire Station

Road Safety 2014-15

NIFRS echoes Road Safety plea towards 'Zero Road Deaths in Northern Ireland'.

79 people tragically lost their lives on Northern Ireland's roads in 2014 compared to 57 in 2013. NIFRS, in association with our road safety partners in the Department of the Environment (DoE), the Police and Ambulance Service, worked hard to encourage road users to 'Share the Road to Zero' and aim towards zero road deaths in Northern Ireland.

During 2014 we attended 720 road traffic collisions and rescued 567 people. Unfortunately our Firefighters, along with our colleagues in the other Emergency Services, witnessed all too often the carnage on our roads and the lives completely destroyed by irresponsible road user behaviour.

Working alongside our road safety partners, we worked hard reiterating our road safety messages and engaging with the public asking them to take personal responsibility when driving – slow down, wear a seatbelt, drive with more care and attention and to suit the road conditions, respect everyone's journey and not to drive after drinking or taking drugs. By improving our driving habits we can reduce the number of road traffic collisions occurring and consequently reduce the number of deaths and injuries.

Road Safety Prevention Partnerships

In Northern Ireland the statutory responsibility for road safety prevention lies with DOE. NIFRS, however, takes a supporting role with a particular emphasis on the consequences of RTCs. At the strategic level, NIFRS has a seat on the Ministerial Road Safety Group chaired by the DOE Minister and also on the Road Safety Delivery Group chaired by a senior civil servant.

Road education in NIFRS is delivered by a group of Volunteer Co-ordinators who are in turn co-ordinated by the Road Safety Manager and work with Area Teams to deliver road safety events, often in partnership with other groups, such as the Policing and Community Safety Partnerships (PCSPs). In November, every year NIFRS takes part in the 'BRAKE' Road Safety Week in conjunction with strategic partners in Northern Ireland. In 2014, for the first time, NIFRS also contributed to the CFOA Road Safety Week in June by running a Road Accident Consequences Education (RACE) Scheme and carrying out education work in conjunction with a local college. NIFRS hopes to continue to support similar initiatives this year again.



Firefighters educate local students on road safety awareness

1.8 Managing Our Resources and Monitoring Our Performance in 2014-15

Our Strategic Aim 3

Ensure the effective and efficient use of resources to provide value for money based on integrated risk management.

Our sponsoring Government Department, DHSSPS, allocated NIFRS £6.172m of capital funds covering Fleet, ICT, Estate and Maintenance during 2014-15.

Like all public bodies, we continued to experience a period of capital rationing in 2014-15 and had to prioritise our capital projects within the budget available to us. During the year we completed and reported on a full Estates Survey which has been used to develop an Estates Strategy and Property Asset Management Plan for NIFRS. These documents, along with our new Integrated Risk Management Plan 2015-20, will assist us in prioritising our capital projects going forward. The Estates Survey has indicated that major investment is required across the organisation.

Emergency Fleet, Equipment and ICT

During 2014-15 we invested £4.52m in our fleet, including 16 Pumping Appliances, 6 All-Terrain Pumping Appliances, 2 Water Tankers, 21 Rapid Response Vehicles and 12 Ancillary Vehicles. We also invested in specialist firefighting and rescue equipment and in upgrading our ICT infrastructure.



NIFRS Prime Mover Foam Pod, situated at Glengormley Fire Station

New Omagh Community Fire Station and District Headquarters

In September 2014, NIFRS officially opened the new Community Fire Station in Omagh. This state-of-the-art Community Fire Station and District Headquarters on the Killybrack Road represents an investment of £4.3m and includes onsite facilities for Firefighter training and transport and engineering workshops, as well as a dedicated community engagement facility with a strong focus on fire, road and community safety activity.

Speaking at the opening ceremony, the then Public Safety Minister Edwin Poots said: "There are acute financial pressures facing all public services at this time and we must face these challenges head on and remain committed to prioritising a Capital Investment Programme that will ensure that we have a modern fire and rescue service with purpose-built Fire Stations and the most up-to-date equipment and appliances to carry out valuable life-saving work."

The new facility includes an Incident Command Room that will be used during major or protracted incidents and can also be used as a multi-agency facility where a co-ordinated response is required, eg major incidents and weather related incidents including flooding, heavy snow and gorse fires.



The new Omagh Community Fire Station and District Headquarters

New Logistics Support Centre

During 2014-15 work commenced on the planning stage for our new Logistics Support Centre which will represent an investment of £8m. The new facility will provide a state-of-the-art Transport and Equipment Workshop and Stores facility which will support our operational service delivery.



Artist's impression of the New Logistics Support Centre

Northern Ireland Community Safety College

Throughout 2014-15 we have remained committed with our partners, the Police Service of Northern Ireland (PSNI) and Northern Ireland Prison Service (NIPS), to the development of the Northern Ireland Community Safety College (NICSC). This is a major Programme for Government project, which will provide world class integrated training facilities for PSNI, NIPS and NIFRS.

During 2014-15 a procurement setback with the Preferred Bidder being unable to deliver the project within budget, resulted in a standstill period during which the Programme Board took stock of the current situation with a view to identifying the best way forward for the project.

Energy Conservation and Sustainability

As an organisation we are committed to sustainability and protecting our environment. During 2014-15 the Estates Survey provided us with our baseline position; performance improvement targets for energy conservation will be set out in the Estates Strategy.

During 2015-16 we will establish a mechanism which will allow measurement against KPI 11 Energy Conservation eg

- Reduce NIFRS CO₂ emissions by a minimum of 10% by 2018 or as directed by the NI Executive/ UK Government.

Over the past year we have remained committed to our Recycling Policy by regularly recycling a range of materials such as plastic, paper, cardboard and metal.

1.9 Supporting Our People in 2014-15

Our Strategic Aim 4

Provide a well-equipped, competent and highly motivated workforce which reflects the community we serve.

Recruitment and Workforce Planning

27 New Wholetime (Full-Time) Firefighters to Help Protect Northern Ireland

27 new Wholetime Trainee Firefighters graduated on 15 May 2014 following the successful completion of an intensive 18 week Trainee Firefighter course.

The new trainees developed practical skills across the firefighting spectrum ranging from fire prevention, protection and detection, breathing apparatus, fire hazards, road traffic collisions and community fire safety training.

Their skills will be further developed as they take their place on Station alongside other Firefighters to serve the local community.



23 New Retained (On Call) Firefighters to Help Protect the Local Community

In 2014-15 we appointed 23 new trainee Retained (on-call) Firefighters (21 male and 2 female) to help protect the local community.

On successful completion of training, where they gained knowledge and practical skills ranging from fire prevention, protection and detection, breathing apparatus, fire hazards, road traffic collisions, specialist rescues and community fire safety, they joined their colleagues in 17 Fire Stations across Northern Ireland to help protect the local community.

We could not operate without our Retained (on call) Firefighters, or the support of their employers, who make up over half the total number of Firefighters across Northern Ireland.

16 New Support Staff Roles

During the past year (2014-15) as part of our ongoing organisational improvement and change programme and workforce planning for our new fit-for-purpose organisational structures, we recruited 16 Support Staff into a range of specialist roles across the organisation.



Trainee firefighters at their Graduation in May 2014

Recognising & Celebrating the Success of Our People in 2014-15

Joint Services Training Awards

In April 2014 we teamed up with our NI Community Safety College (NICSC) partners to co-host the first ever Joint Services Training Awards. At the ceremony, the then Public Safety Minister Edwin Poots said:



Watch Commander, Kenny McEwan presented 'Top Trainer Award' by Cris Kerr, Interim Chief Fire Officer

"As Minister for Public Safety, I know that a skilled and competent workforce is at the very centre of firefighter and community safety. As we, the general public, go about our day to day business, we can do so secure in the knowledge that we are protected by highly-trained Services. That protection is not something that should be taken for granted. To provide that service, Fire and Rescue personnel must be trained to the highest standards, knowledgeable in many aspects of public safety, and ultimately willing to risk their own lives to save and protect the communities they serve. I think this event demonstrates that we are in safe hands. I am particularly pleased that this event highlights how the Police, Prison and Fire & Rescue Services can work together in partnership and co-operation."



Pictured L-R - Cris Kerr, Interim Chief Fire Officer, Minister for Justice, David Ford MLA, Northern Ireland Prison Service Director General, Sue McAllister and PSNI Chief Constable Matt Baggott

50 NIFRS Personnel Celebrate 20 Years' Exemplary Service Award

The annual Long Service and Good Conduct Medal Presentation Ceremony took place in September 2014 with 50 members of staff across Wholetime (full-time), Retained (on call), Regional Control Centre and Support Staff being awarded for 20 years' service with NIFRS.

As part of the ceremony, numerous Chief's Letters of Recognition and Chief's Commendations (both individual and Watch/Stations) were also presented to those personnel who had gone above and beyond the call of duty. We are very proud of the achievement and contribution of all these individuals, who have dedicated their lives to protecting our community.

Assistant Chief Fire Officer Dale Ashford Honoured in Queen's New Year's Honours List

Assistant Chief Fire Officer Dale Ashford was honoured in the Queen's New Year's Honours List receiving the prestigious Queen's Fire Service Medal (QFSM) for his service, professionalism and courage in protecting the community from fires, road traffic collisions and other incidents, as well as contributing to public safety.



Dale Ashford, Assistant Chief Fire Officer, NIFRS with HRH Prince of Wales

Keeping our People Safe and well-trained

We value our people by keeping all staff safe and well-trained. Lifelong learning, ongoing training and career development are extremely important to us with all staff encouraged to take advantage of the range of training and development courses available to them. In 2014-15 we delivered a total of 12,534 training days for our staff.

Over the past year 68 people completed the Emergency Fire Appliance Driver course, which is accredited to the Institute of Advanced Motorists. 228 people were trained to be 'First Person on the Scene' (FPOS) Instructors through the Driving Change Cross Border Project, which means if required they can administer advanced first aid at a road traffic collision while awaiting the attendance of paramedics at the scene. This emphasises our commitment to improving road safety and raising driving standards amongst our staff as well as in our community.

Equality and Diversity in 2014-15

NIFRS is subject to statutory disability duties under the Disability Discrimination (NI) Order 2006. This requires NIFRS, in carrying out its functions, to have due regard to the need to promote positive attitudes towards disabled people and encourage participation by disabled people in public life. NIFRS has an approved Disability Action Plan in compliance with the Order.

Disabled Applicants and Employees

NIFRS operates the following policies:

- It is the policy of NIFRS to provide full and fair consideration for disabled people throughout their employment. This may involve taking reasonable steps to reduce or remove a physical feature or employment arrangement that would cause a disabled employee or job applicant any substantial disadvantage;
- All job advertisements carry a Welcoming Statement in line with Departmental policy which confirms that the principle of equal treatment will apply to all applicants irrespective of disability;
- For each post, disabled applicants are monitored under NIFRS Equal Opportunities Monitoring procedures; and
- A textphone system has been installed at NIFRS Headquarters so that those with a hearing impairment can obtain Fire Safety advice; audio tapes on Fire Safety are also available on request.

Working with Employers for Disability Northern Ireland (EFDNI)

We have continued to work with EFDNI in supporting employees and our service users with disabilities. A number of employees participated in the 'WorkHear' Programme facilitated by EFDNI and Action on Hearing Loss. This training involved deaf awareness and sign language skills and this means that we can now accommodate work experience placements for adults with hearing impairments.

Equality Training for Our Staff

Equality and diversity are core values for us and as an organisation. Throughout 2014-15, we have continued to provide training for our staff on Equality Legislation and its impact.

The training was delivered to Officers throughout Eastern Area Command and Western Area Command who cascaded the training to local Firefighters. The training included an overview of anti-discrimination legislation, an explanation of our Joint Declaration of Protection and Good and Harmonious Working Environment Policy and its implications, Social Media (implications in relation to anti-discrimination legislation), Dignity at Work focusing on harassment and bullying, etc. The training was also delivered to Wholetime and Retained Trainee Firefighters and our Instructors who are responsible for training Wholetime Firefighters.



NIFRS staff attend a training session.

1.10 Governance and Accountability in 2014-15

Our Strategic Aim 5

In line with our values, and robust governance and scrutiny, we operate in accordance with appropriate legislation, ensuring safety, sustainability and partnership are central to all our activities.

New governance and accountability arrangements and new leadership have been at the very heart of our ongoing transformation journey as an organisation. New governance and accountability arrangements have been put in place in 2014-15 with an emphasis on greater transparency and scrutiny, as well as on greater engagement and involvement in everything we do.

Like all public bodies we need to fulfil our statutory obligations and deliver services that are not only effective but also efficient and affordable within the budget available. Going forward, change and improvement can only better protect our community, making it safer for everyone in the challenging fiscal years ahead.

Leadership

The leadership within the organisation has undergone a period of transition and change, enabling organisational change and driving our improvement programme across the Service.

Continuation of Interim Senior Management Arrangements

The interim senior management arrangements implemented in February 2014 remained in effect throughout 2014-15. NIFRS Board is progressing the appointment of a Head of Service and this process should be complete by March 2016.

Strengthened Accountability and Governance Arrangements in 2014-15

New governance and accountability arrangements have also been put in place over the past year with a new Board Committee structure aligned to the new fit-for-purpose organisational structure operational since 1 April 2014.

New Senior Management Appointments 2014-15

We have continued in 2014-15 to fill strategic roles within the Corporate Management Team to ensure we have a strategic lead for each of our Directorates.

Liz Cuddy was appointed Director of Planning, Performance & Governance on 2 June 2014. Filling this strategic role was a significant step forward to help drive the planning, performance and governance agenda over the next five years.



Liz Cuddy, appointed to NIFRS as Director of Planning, Performance & Governance

Off Payroll Staff Resources

We are required to disclose details of 'off-payroll' engagements at a cost of over £58,200 per annum. As per the table below, NIFRS had no 'off-payroll' engagement exceeding this cost threshold during 2014-15.

Off Payroll Staff Resources

	Number of Staff
Off Payroll staff as at 1 April 2014	3
New engagements during the year	-
Number of engagements transferred to payroll	(1)
Number of engagements that have come to an end during the year	(1)
Other*	(1)
Off Payroll staff as at 31 March 2015	-

*One staff member exceeding the threshold in 2013-14 did not reach this threshold in 2014-15 but remains in post

As we had no new 'off-payroll' engagements after 1 October 2014, no assurances were requested or required in relation to Income Tax and National Insurance obligations.

Corporate Risk Management and Register

Corporate risks are managed and reviewed by Directors and Departmental Managers as part of normal business activity and also as part of the quarterly Business Planning and Assurance processes. NIFRS maintains a Corporate Risk Register which is supported by Directorate Risk Registers. NIFRS Corporate Risks are managed and reviewed regularly by the Corporate Management Team.

Oversight is exercised by the Audit, Risk & Governance Committee and NIFRS Board in line with NIFRS Assurance Framework and NIFRS Corporate Risk Management Strategy, Policy and Procedure. (Further information on risk management processes and links to Business Planning can be found at Section 4 of the Year-End Governance Statement.)

Statement on Information Risk

The NIFRS IT Project & Security Manager has been specifically tasked with reviewing and policing IT security and sits on the NIO Security Forum which actively monitors information security problems and developments. NIFRS continues to monitor and assess potential information security risks through an established framework developed around InfoSec 1 and 2 (Information Security Standards).

An IS/IT Security Policy (available on all desktops) has been developed and implemented and staff must acknowledge the Policy every time they log onto the system. All new employees are required to read and sign a copy of the Policy as part of their induction process. In addition, this Policy is covered during refresher courses for existing employees.

During 2014-15, there were no identified data protection breaches.

1.11 Managing Change and Driving Improvement in 2014-15

Our Strategic Aim 6

Manage change and improvement through identification of best practice in line with the needs and expectations of all our stakeholders.

Our organisation is on a journey of transformation and although we are not there yet and much still needs to be done, significant progress has been made over the past year to change, improve and transform the way we do things.

Organisational Change and Improvement 2014-15

Of the 130 recommendations for change and improvement emanating from the series of well-documented external reviews of the organisation, 78% (excluding PAC) have been fully implemented or are with DHSSPS for sign off. Remaining recommendations will be incorporated into the 2015-16 Business Plan. The Corporate Management Team view this significant achievement over the past year as the beginning of our transformation journey with new fit-for-purpose organisational structures, and governance and accountability arrangements in place, and a new culture emerging going forward.

Corporate Business Planning 2014-15

Over the past year our performance in improving how we work and manage change across the organisation has also been measured against our key targets, objectives and business tasks set out in our Annual Business Plan 2014-15.

Signed:
Accounting Officer

Date:.....

A photograph of several firefighters in full gear, including yellow helmets and tan jackets with reflective stripes. The image is semi-transparent, serving as a background for the text.

SECTION TWO
Director's Report

2.1 NIFRS Organisational Structure

The strategic direction, performance and scrutiny of our organisation is overseen by NIFRS Board, a body which was established under The Fire and Rescue Services (Northern Ireland) Order 2006. It is a non-departmental public body, with the DHSSPS as its sponsoring Department.

NIFRS Board is appointed by the Minister for Health, Social Services and Public Safety, and comprises a non-executive Chairman and ten non-executive Members, four of whom are District Councillors and the remainder are lay members. The Chief Fire Officer is also a member of the NIFRS Board.

A new NIFRS Board was to be appointed from 1 October 2014 however, not all appointments were made during the year ended 31 March 2015.

Members of NIFRS Board:

- Dr Joe McKee OBE - Chairman (tenure extended to 31 August 2015)
- Mr Chris Kerr QFSM - Interim Chief Fire Officer (retired 12 May 2015)
- Mr Alan Hanna - Lay Member (Vice-Chairman) (re-appointed 1 October 2014)
- Mr Jim Barbour - Lay Member (re-appointed 1 October 2014)
- Mr Gordon Smyth - Lay Member (appointed 1 April 2014)
- Mr Kenneth Henning - Lay Member (appointed 1 October 2014)
- Mr Tom Wright - Lay Member (appointed 1 October 2014, resigned 29 April 2015)
- Ald Mrs Geraldine Rice MBE - District Council Member (tenure extended to 31 August 2015)
- Cllr Michael Carr - District Council Member (tenure extended to 31 August 2015)
- Cllr David Barbour - District Council Member (tenure ended 31 March 2015)
- Cllr Adrian Watson - District Council Member (appointed 15 December 2014)
- Mrs Siubhan Grant - Lay Member (tenure ended 30 September 2014)
- Mr Milton Kerr QPSM - Lay Member (tenure ended 30 September 2014)
- Mr Charles Mack - Lay Member (tenure ended 30 September 2014)

Our organisation is managed by the Interim Chief Executive, assisted by the Interim Chief Fire Officer, two Assistant Chief Fire Officers and three non-uniformed Directors, collectively known as the Corporate Management Team.

NIFRS Board, supported by the Minister for Health, Social Services and Public Safety and DHSSPS, has approved the continuation of the current interim senior management arrangements until 31 March 2016. It is anticipated that the substantive longer-term senior management arrangements for the organisation will be in place by 1 April 2016.

Members of the Corporate Management Team (CMT):

Interim Chief Executive	Jim Wallace
Interim Chief Fire Officer	Chris Kerr (retired 12 May 2015)
Assistant Chief Fire Officer	Dale Ashford
Assistant Chief Fire Officer	John Allen (temporary from 1 September 2013 to 11 January 2015) Michael Graham (temporary from 12 January 2015)
Director of Finance	Josephine Kelly
Director of Planning, Performance & Governance	Liz Cuddy (temporary 1 July 2013 to 31 May 2014, substantive from 2 June 2014)
Director of Human Resources	David Moore

Our team of people within NIFRS cover a range of Operational and Support roles. As at 31 March 2015, we employed 2,151 staff (headcount) comprising of:

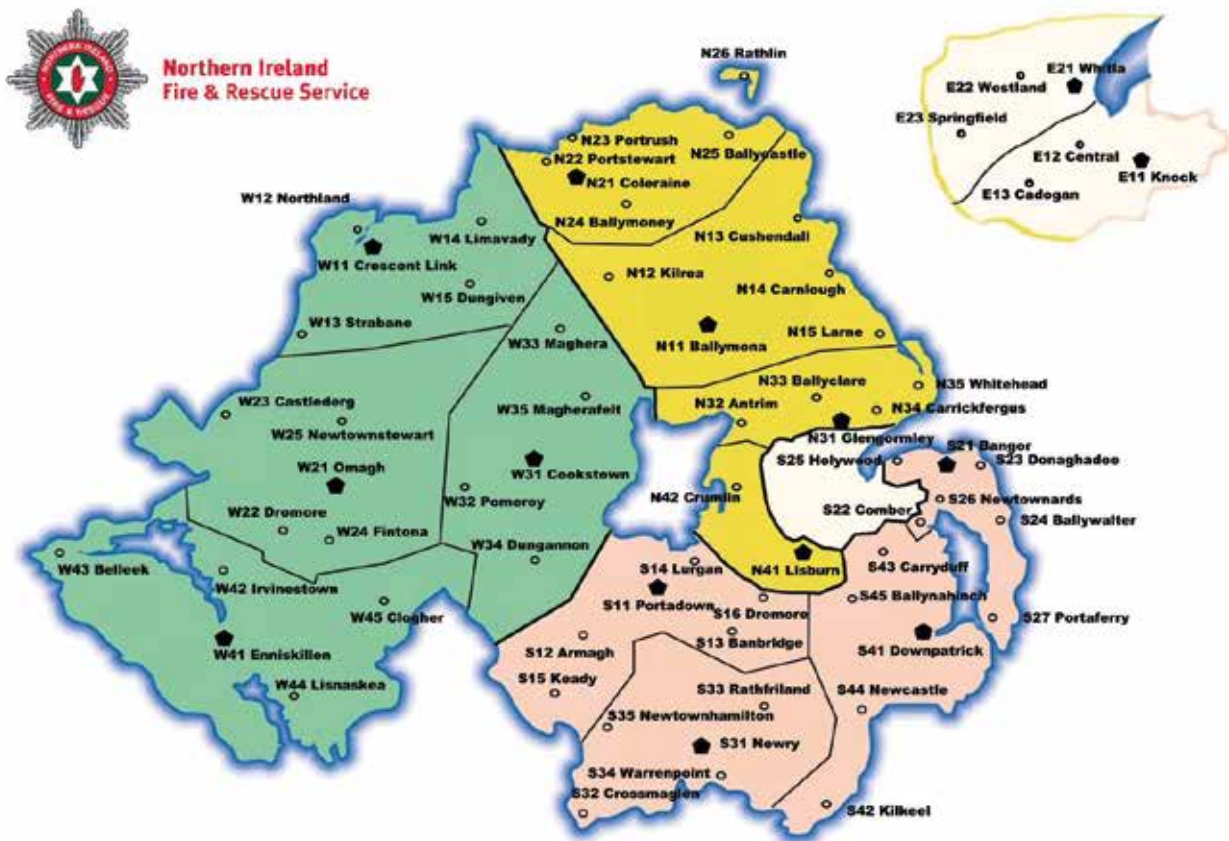
	Total Staff	Male	Female
Substantive Senior Managers (Uniformed and Non-Uniformed Directors)	6	4	2
Wholetime Firefighters (full-time based at Fire Stations 24/7 working a shift system)	876	852	24
Retained Firefighters (on call, respond to 999 calls when alerted by beeper)	969	942	27
Regional Control Centre Personnel (answer 999 calls and mobilise fire appliances; work a 24/7 shift system)	47	17	30
Support Staff (Administrative, Manual, etc)	253	111	142



Our Operational Structure

We have four operational Area Commands – Northern, Southern, Eastern and Western. Area Commanders, each responsible for one of the four Area Commands, manage operational activity on a day-to-day basis and report to the Interim Chief Fire Officer. Our four Area Commands are supported by 14 Districts, strategically placed across Northern Ireland and which create a community focus for NIFRS activities. District Commanders are responsible for the Fire Stations in their District.

There are 68 Fire Stations across Northern Ireland each serving their local community. Our Headquarters is situated in Lisburn (including our Regional Control Centre) and our Fire & Rescue Service Training Centre is currently situated at Boucher Crescent in Belfast.



2.2 Register of Interests

On appointment, Board Members and members of the Corporate Management Team are required to declare any personal, financial and business interest which may conflict with their role within NIFRS. All are required to declare this information on an ongoing annual basis. These Declarations of Interests are maintained and monitored by the Business Assurance Unit within the Planning, Performance & Governance Directorate.

Mr Hanna, a non-executive director, declared that he was also a non-executive director for the Business Services Organisation (BSO), a Non Departmental Public Body. Under a Procurement and Logistic Services (PALS) agreement, NIFRS received support services from BSO for stores/purchasing, consumable goods, stationery etc to the value of £301,659 (2013-14: £90,987), during the 2014-15 financial year.

No other interests were declared which may conflict with Board responsibilities.

2.3 Pension Obligations

Details of NIFRS Pension Schemes are set out in the Annual Accounts Statement of Accounting Policies under Section 1.19 Retirement Benefit Costs. The pension obligations and liabilities are detailed in Notes 25 and 26 to the Annual Accounts.

2.4 Attendance Management

During 2014-15 the number of working days/shifts lost to sickness absence by our staff was 9.8 days/shifts. Although we did not meet our year-end target of 9.7 days/shifts lost, it did represent a reduction of 5.8% from the previous year (10.4 days/shifts lost). The past year's reduction means we are going in the right direction to meet our ambitious target of 7 days/shifts lost per person by 2018.

2.5 Sustainability

The Estates Survey has identified opportunities for environmental management improvements across the entire NIFRS estate, aimed at achieving savings, achieving DHSSPS and Programme for Government (PfG) targets, and promoting the carbon management agenda going forward.

Outcomes will be used to inform the development of an Environmental Management System in line with ISO 14001.

NIFRS is currently developing a five-year efficiency plan, and as part of this process, will be looking at ways of achieving savings through sustainability programmes.

NIFRS' Integrated Risk Management Plan 2015-20 will also consider the efficient and effective use of our operational resources.

2.6 Personal Data Related Incidents

NIFRS is committed to the control, management and security of information in line with the eight principles of data protection as outlined in the Data Protection Act 1998; and to the adherence of guidance set by the Information Commissioner's Office (ICO).

There were no personal data breaches during 2014-15.

2.7 Charitable Donations

In the current year there have been no charitable donations which resulted in financial expenditure.

2.8 Auditors' Remuneration

The Comptroller & Auditor General was appointed statutory Auditor from 1 April 2003 following the Audit & Accountability (Northern Ireland) Order 2003. He is the Head of the Northern Ireland Audit Office (NIAO) and he and his staff are wholly independent of NIFRS, reporting their findings to the Assembly.

The cost of the audit for the year ended 31 March 2015 which pertained solely to the audit of the Accounts was £38,250. Details are recorded in Note 4.1 to the Accounts.

NIAO received an additional payment of £1,173 in respect of the 2014-15 National Fraud Initiative exercise.

As far as the Accounting Officer is aware, there is no relevant audit information of which the Auditor is unaware, and he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Auditor is aware of that information.

Signed:
Accounting Officer

2.9 Accounts Direction and Going Concern

The Accounts have been prepared in a form determined by DHSSPS based on guidance from the Department of Finance and Personnel (DFP) Financial Reporting Manual (FReM) and in accordance with the requirements of Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006.

NIFRS takes the view that the going concern concept applies to these Accounts which present the operations of the grant-in-aid as long as the provisions of DHSSPS remain extant.

The future financing of NIFRS liabilities will be met by DHSSPS.

Date:.....



SECTION THREE

Remuneration Report

3.1 Governance Overview

As per NIFRS Standing Order 11.6, the Terms of Reference of the Remuneration Committee state that the Committee will oversee the appointment of all Director Level appointments and determine all matters relating to their terms and conditions of appointment and service.

The key areas of responsibility of the Committee are:

- Salaries/Conditions of Service for Principal Officers and Directors;
- Pay Increases;
- Job Evaluations;
- Pay Remits; and
- Senior Management Succession Planning.

As at 31 March 2015, the membership of the Remuneration Committee was as follows:

- Dr J McKee, Chairman;
- Mr A Hanna;
- Mr K Henning; and
- Mr T Wright.

The Committee met on the following occasions during the year ended 31 March 2015:

- 24 February 2015; and
- 31 March 2015.

3.2 Remuneration and Pension Interests for the year ended 31 March 2015

Details of the Chairman's, non-executive Members' and Corporate Management Team's remuneration and pension interests for the year ended 31 March 2015 are set out on the following pages 43 to 51.

The Payment of Remuneration of Chairmen and Non-Executive Members Determination (Northern Ireland) 2010 introduced remuneration of Non-Executive Members of the Northern Ireland Fire & Rescue Service retrospectively from July 2010. The DHSSPS advise NIFRS of the current remuneration of NIFRS Non-Executive Members.

Chairman, Board Members and Senior Management Remuneration (Audited Information)

The following sections provide details of the remuneration, pension entitlements and taxable benefits-in-kind of the most senior members of NIFRS:

NAME	2014-15				2013-14			
	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total £'000
Non-Executive Members								
J McKee Chairman	25-30	1,500	-	25-30	25-30	1,600	-	25-30
D Barbour	5-10	100	-	5-10	5-10	200	-	5-10
J Barbour	5-10	-	-	5-10	5-10	-	-	5-10
M Carr	5-10	100	-	5-10	5-10	100	-	5-10
A Hanna	5-10	-	-	5-10	5-10	-	-	5-10
G Rice	5-10	-	-	5-10	5-10	-	-	5-10
G Smyth (from 01/04/14)	5-10	200	-	5-10	-	-	-	-
K Henning (from 01/10/14)	0-5	-	-	0-5	-	-	-	-
T Wright (from 01/10/14)	0-5	-	-	0-5	-	-	-	-
A Watson (from 15/12/14)	0-5	-	-	0-5	-	-	-	-
S Grant (to 30/09/14)	0-5	-	-	0-5	5-10	100	-	5-10

NAME	2014-15				2013-14			
	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total £'000
Non-Executive Members								
M Kerr (to 30/09/14)	0-5	-	-	0.5	5-10	100	-	5-10
C Mack (to 30/09/14)	0-5	-	-	0.5	5-10	-	-	5-10
P Tally (to 30/09/13)	-	-	-	-	0-5	100	-	0-5
A Hatch (to 30/09/13)	-	-	-	-	0-5	100	-	0-5

NAME	2014-15				2013-14			
	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	Total £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	Total £'000
Executive Members								
⁵ J Wallace Chief Executive (Interim)	90-95	10,800	24,000	125-130	85-90 FYE 90-95	10-15	-	95-100
⁶ C Kerr Chief Fire Officer (Interim)	95-100	-	19,000	115-120	95-100	-	-8,000	85-90
⁷ D Ashford Assistant Chief Fire Officer – Community Protection	85-90	-	38,000	125-130	85-90	-	-61,000	25-30
⁸ J Allen Assistant Chief Fire Officer – Support Services (Temp)	70-75 FTE 85-90	100	50,000	120-125	45-50 FTE 85-90	-	169,000	215-220
⁹ M Graham Assistant Chief Fire Officer – Support Services (Temp)	15-20 FTE 85-90	-	19,000	35-40	-	-	-	-
J Kelly Director of Finance	60-65	-	224,000	285-290	25-30 FTE 60-65	-	7,000	30-35
D Moore Director of Human Resources	60-65	100	14,000	75-80	60-65	-	17,000	80-85
¹⁰ L Cuddy Director of Planning, Performance, Governance	60-65	100	14,000	75-80	40-45 FTE 50-55	-	-	40-45
¹¹ E Doyle Assistant Chief Fire Officer – Support Services	-	-	-	-	15-20 FYE 85-90	-	-4,000	10-15
¹² B McClintock Assistant Chief Fire Officer – Support Services (Temporary)	-	-	-	-	35-40 FYE 85-90	-	117,000	155-160

NAME	2014-15			2013-14				
	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total £'000
Executive Members								
¹³ B Rennick Director of Finance & Performance Management (Temporary)	-	-	-	-	0-5 FYE 60-65	-	-	0-5
¹⁴ J Pentland Director of Finance & Performance Management (Temporary)	-	-	-	-	45-50 FYE 60-65	-	-	45-50
Highest Earner's Total Remuneration (£'000)								95-100
Median Total Remuneration (£)								29,753
Ratio								3.3
								3.4

	2014-15				
NAME	² Accrued pension at age 60/65 as at 31/03/15 and related lump sum £'000	³ Real increase in pension at age 60/65 as at 31/03/15 and related lump sum £'000	CETV at 31/03/15 £'000	CETV at 31/03/14 £'000	Real increase in CETV £'000
Executive Members					
⁵ J Wallace Chief Executive (Interim)	0-5	0-2.5	25	-	25
⁶ C Kerr Chief Fire Officer (Interim)	60-65	0-2.5	1,490	924	555
⁷ D Ashford Assistant Chief Fire Officer – Community Protection	50-55	2.5-5.0	1,187	1,124	50
⁸ J Allen Assistant Chief Fire Officer – Support Services (Temp)	45-50	2.5-5.0	1,034	966	59
⁹ M Graham Assistant Chief Fire Officer – Support Services (Temp)	30-35	0-2.5	539	496	42
J Kelly Director of Finance	10-15	10.0-12.5	147	5	142
D Moore Director of Human Resources	10-15	0-2.5	145	131	12
¹⁰ L Cuddy Director of Planning, Performance and Governance	0-5	0-2.5	11	-	11
¹¹ E Doyle Assistant Chief Fire Officer – Support Services	-	-	-	1,358	-
¹² B McClintock Assistant Chief Fire Officer – Support Services (Temporary)	-	-	-	1,079	-
¹³ B Rennick Director of Finance & Performance Management (Temporary)	-	-	-	-	-
¹⁴ J Pentland Director of Finance & Performance Management (Temporary)	-	-	-	-	-

Notes

There are no entries in respect of pensions for the Chairman and Board Members as they do not receive pensionable remuneration.

Please note that there are no columns for Bonus/Performance Pay or employer contributions to partnership pension accounts as neither are applicable to NIFRS.

FYE = Full Year Equivalent Salary.

- ¹ Benefits-in-Kind relate to expense allowances provided and treated by HM Revenue and Customs as a taxable emolument.
- ² Deferred Pension age 60 for uniformed Executive members, and age 65 for Non-Uniformed Executive members. Please note that as the Uniformed Directors do not receive an automatic lump sum, this information has been excluded.
- ³ Real increase in pension assumes a 1.2% increase for 2014-15 (2.7% for 2013-14).
- ⁴ The value of the pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) x (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase decrease due to the transfer of pension rights.
- ⁵ The Chief Executive was employed directly by NIFRS on 1 April 2014 on a two year fixed term contract.
- ⁶ This member is over 50 years of age with more than 25 years of service and therefore could retire and receive pension benefits immediately. The 2015 CETV has been calculated as if the member was a pensioner.
- ⁷ This member is over 50 years of age with more than 25 years of service and therefore could retire and receive pension benefits immediately. Both the 2014 and 2015 CETVs have been calculated as if the member was a pensioner.
- ⁸ Temporary appointment from 1 September 2013 to 11 January 2015. CETV calculated as at 11 January 2015. This member is over 50 years of age with more than 25 years of service and therefore could retire and receive pension benefits immediately. Both the 2014 and 2015 CETVs have been calculated as if the member was a pensioner.
- ⁹ Temporary appointment to Corporate Management Team from 12 January 2015.
- ¹⁰ Employed on an agency basis from 1 April 2014 to 1 June 2014, and appointed to the substantive role on 2 June 2014.
- ¹¹ Retired on 3 May 2013.
- ¹² Temporary appointment from 11 February 2013 to 1 September 2013.
- ¹³ Employed on an agency basis from 11 February 2013 to 10 April 2013.
- ¹⁴ Employed on an agency basis from 9 April 2013 to 30 November 2013.

Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review 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.

The banded remuneration of the highest paid employee in NIFRS in the financial year 2014-15 was £95,000-100,000 (2013-14: £95,000 - £100,000). This was 3.4 times the median remuneration of the workforce, which was £29,054 (2013-14: £29,735).

In 2014-15, no employee received remuneration in excess of the highest paid employee. Remuneration ranged from the band £0k-£5k to £95k-£100k (2013-14: £0k-£5k to £95k-£100k).

Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions or the cash equivalent transfer value of pensions.

Median Total Remuneration

For the purposes of this calculation only, all staff wages and salaries are adjusted to full-time equivalent (FTE) earnings and ranked in order to identify the median point.

Highest Earner's Total

There is no change in the full year equivalent (FYE) of the Highest Paid Director band between 2013-14 and 2014-15.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital 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 because of which the disclosure applies.

The CETV figures include the value of any pensions, including the value of any pension benefits in another scheme or arrangement which the individual has transferred. Also included is any additional pension benefit accruing to the member as a result of purchasing additional years of pension service in the scheme at the member's own expense. CETVs are calculated within guidelines and a framework prescribed by the Institute and Faculty of Actuaries.

The "real increase" reflects the increase in CETV funded by the employee and the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the benefits transferred from another pension scheme or arrangements) and uses common market valuation factors.

Value of Pension Benefits

The value of pension benefits is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the member.

The real increases exclude increases due to inflation or any increase or decrease to a transfer of pension rights.

A negative figure may arise where a member has little or no increase to his/her pension (before making the inflation adjustment), for example, where they have already attained the maximum service for pension benefits. Also if a member has reached the earliest retirement age the pension figure could be lower than previously, as the pension figure is calculated as if they claimed the pension at that date, rather than a deferred benefit payable at normal retirement age.

Non-Uniformed Directors

Pension Scheme Information

The pension benefits of the Directors are provided through the Northern Ireland Local Government Officers' Superannuation Scheme which has undergone a review resulting in a new Scheme being introduced from 1 April 2009 called the Local Government Pension Scheme (Northern Ireland).

This is a funded scheme which provides benefits on a 'final salary' basis at a normal retirement age of 65. Members are permitted to draw benefits on reaching age 60 without their employer's consent but such benefits would be reduced as they are being paid early. A member can stay in or join the Scheme

beyond the age of 65 subject to all pension benefits being brought into payment before age 75. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service prior to 1 April 2009 and 1/60th of pensionable salary for each year of service after 1 April 2009. For each year built up in the Scheme up to 31 March 2009, members receive an annual pension based on 1/80th of final year's pensionable pay and a standard tax-free lump sum of three times the annual pension. For membership after 1 April 2009 there is no standard lump sum but the member can exchange part of their pre-April 2009 pension for a lump sum payable on retirement. In 2014-15 members paid contributions in relation to their earnings as set out on page 45. Pension increases are in line with the Consumer Prices Index.

On death, a pension is payable to the surviving spouse/civil partner/nominated co-habiting partner which is equal to 1/60th of final pay times the total service the member could have built up in the scheme to age 65. For membership in the Scheme before April 1988 pensions will be less for civil partners/nominated co-habiting partners. On death in service, the scheme pays a lump sum benefit of three times pensionable pay. Medical retirement is possible in the event of permanent ill-health which prevents the individual from doing the job. In such a case the pension brought into payment is based on a two tier system where benefits are dependent on the severity of the illness.

Terms and Conditions

The Directors are employed under National Joint Council for Local Government Services Terms and Conditions. The Chief Executive is currently employed on a fixed term contract due to end no later than 31 March 2016. The remainder of the Corporate Management Team is not bound by a fixed contract. A three month notice period applies. No compensation for early retirement was paid to Directors during the year.

Mileage Allowances

The Non-Uniformed Directors received mileage allowances in the year of between 45p-65p per mile. The element over 45p is regarded as a Benefit-in-Kind and is included within the figures in the Chairman and Senior Employees' Remuneration table above.

Annual Leave

Non-Uniformed Directors are entitled to 30 days annual leave, 12 days public holiday plus an additional 3 days for long service (>5 yrs).

Sickness

Non-Uniformed Directors are entitled to sickness benefit of six months full pay followed by six months half pay, after five years' service.

Uniformed Officers

Pension Scheme Information

Pension benefits for the Interim Chief Fire Officer and Assistant Chief Fire Officers are provided through the Firefighters' Pension Scheme. This is a statutory scheme which provides benefits on a 'final salary' basis. The normal retirement age is 55 but Officers may retire on full pension once they have attained 50 years of age and have 30 years' service. The Chief Fire Officer requires the approval of the NIFRS Board to retire before he has attained 55 years of age. Benefits accrue at the rate of 1/60th of pensionable salary for each year of service up to 20 years and at 2/60ths for each year of service thereafter. The maximum attainable is 40/60ths. Members may commute up to 25% of their pension in return for a lump sum of up to 22.4 times the commuted amount, dependent on age. Members pay contributions of 11% of pensionable earnings. Pensions in payment increase in line with the Consumer Price Index.

On death, pensions are payable to the surviving spouse at a rate of half the member's base pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. Medical retirement is possible in the event of ill-health.

Terms and Conditions

The terms and conditions for the Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officers are negotiated and regulated through the National Joint Council for Principal Fire Officers. This body sets a minimum salary for Principal Officers and local adjustments are made by the individual

Authorities. The Deputy Chief Fire Officer's salary is based on 80% of the Chief Fire Officer's notional rate (ie 80% of the minimum rate of pay for the appropriate population band which is currently Band 4) whilst the Assistant Chief Fire Officers' salaries are based on 75% of the Chief Fire Officer's salary.

Mileage Allowances

The Uniformed Officers received mileage allowances in the year of between 45p-65p per mile. The element over 45p is regarded as a Benefit-in-Kind and is included within the figures in the Chairman and Senior Employees' Remuneration table above.

Annual Leave

Uniformed Officers are entitled to 37 days annual leave, 8 days public holiday plus an additional 3 days for long service (> 3yrs).

Sickness

Uniformed Officers are entitled to sickness benefit of six months full pay, followed by six months half pay.

Signed:
Accounting Officer

Date:.....





SECTION FOUR

Statement of Accounts 2014-15



Annual Accounts for the Year Ended 31 March 2015

	Page No
Certificate of Accounting Officer	56
Statement of Responsibilities of the Accounting Officer	57
Governance Statement	58
The Certificate and Report of the Comptroller & Auditor General to the Northern Ireland Assembly	99
Statement of Comprehensive Net Expenditure for the year ended 31 March 2015	101
Statement of Financial Position as at 31 March 2015	102
Statement of Cashflows for the year ended 31 March 2015	103
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015	104
Notes to the Accounts for the Year ended 31 March 2015	105
Accounts Direction	147

CERTIFICATE OF ACCOUNTING OFFICER

I certify that the Annual Accounts and Notes to the Accounts (pages 101 to 148) of NIFRS have been compiled from, and are in accordance with, the accounts and financial records maintained by NIFRS and with the Accounting Standards and Policies for non-departmental public bodies approved by DHSSPS.

Accounting Officer: _____ Date: _____

STATEMENT OF RESPONSIBILITIES OF THE ACCOUNTING OFFICER

Under Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006, the DHSSPS has directed the Northern Ireland Fire & Rescue Service (NIFRS) to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The Annual Accounts are prepared on an accruals basis and must provide a true and fair view of the state of affairs of NIFRS, of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Annual Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the DHSSPS including 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 FReM have been followed, and disclose and explain any material departures in the Annual Accounts;
- Prepare the Annual Accounts on the going concern basis, unless it is inappropriate to presume that NIFRS will continue in operation;
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of NIFRS; and
- Pursue and demonstrate value for money in the services NIFRS provides and in its use of public assets and the resources it controls.

The Permanent Secretary of DHSSPS, as Accounting Officer for Health and Personal Social Services resources in Northern Ireland, has designated the Chief Executive as the Accounting Officer for NIFRS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NIFRS assets, are set out in the Accountable Officer Memorandum, issued by the DHSSPS.

GOVERNANCE STATEMENT – NIFRS – 31 MARCH 2015

1. Introduction/Scope of Responsibility

The Board of the Northern Ireland Fire & Rescue Service (NIFRS) is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am accountable in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety.

Accountability Arrangements

NIFRS, through its Board and Officers, is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

NIFRS, as a Non-Departmental Public Body, is accountable to DHSSPS for all its actions and specifically the roles and responsibilities laid out in the agreed Management Statement and Financial Memorandum – June 2011 (MSFM). This accountability is managed through day-to-day interaction with the Public Safety Unit and more formally via Accountability Meetings scheduled throughout the year. DHSSPS representatives are also invited to all NIFRS Board and Board Sub-Committee Meetings.

During 2014-15 NIFRS worked with the Business Services Organisation (BSO) in a number of areas as follows:

- From 1 April 2014, BSO Internal Audit has been providing Internal Audit Services to NIFRS and a Service Level Agreement was in place for the full financial year.
- Since August 2014, NIFRS have had CoPE coverage through the use of BSO PaLS. A Service Level Agreement was established in August 2014 and remained in place throughout the remainder of the financial year. In addition, BSO PaLS carried out a functional review of NIFRS Procurement during the last quarter of 2014-15 and options arising from this review are under consideration by CMT.
- During the year NIFRS unsuccessfully tried, on two occasions, to recruit a replacement Head of ICT. In tandem with the recruitment exercises NIFRS had tasked BSO Information Technology Services with completing a technical review of its ICT Infrastructure. Options arising from this review are currently being reviewed and progressed by CMT.
- Throughout the year NIFRS reported all suspected or potential frauds through BSO Counter Fraud & Probity Services.

Partnership Working

Partnerships are the process which bring together diverse groups to agree means of achieving specific objectives, sharing benefits and risks through the application of their particular skills and resources. More specifically, common objectives can be pursued, benefits maximised, risks reduced and relevant skills and resources used to best effect.

The increased emphasis on partnership working and the opportunities on offer are welcomed by NIFRS who have been actively engaged in shared projects with public and private partners for a number of years.

NIFRS' approach to partnership working involves broadening the definition surrounding our objectives, for example, from reducing accidental dwelling fires to improving home safety, from reducing deliberate fire-setting to dealing with anti-social behaviour or discouraging children and young people from 'risk taking behaviour'.

Examples of our current public sector partnerships include:

- Belfast City, Belfast International, St Angelo Enniskillen and City of Derry Airports;
- Department of Agriculture & Rural Development (Veterinary Services) (DARD);
- Public Records Office Northern Ireland (PRONI);
- Northern Ireland Environmental Agency (NIEA);
- Forest Service;
- Her Majesty's Revenue & Customs (HMRC);
- Maritime & Coastguard Agency (MCA);
- National Museums Northern Ireland (NMNI);
- Police Service of Northern Ireland (PSNI);
- National Trust;
- Northern Ireland Ambulance Service (NIAS); and
- Northern Ireland Regional Medical Physics Service (NIRMPS).

NIFRS also has operational partnerships with:

- Leitrim Fire Service; and
- Louth Fire & Rescue Service.

All of the above partnerships are fully documented through Memorandums of Understanding and/or agreed Inter-Agency Response Plans.

2. Compliance with Corporate Governance Best Practice

NIFRS applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. NIFRS does this by undertaking continuous assessment of its compliance with Corporate Governance best practice using internal and external audit reports, and a series of self-assessment documents covering relevant Controls Assurance areas, and Board and Audit Committee effectiveness.

In April 2014 the Chairman presented the outcomes arising from a Board Corporate Governance Questionnaire completed by Board Members. This questionnaire covered a range of Corporate Governance topics including the effectiveness of the Board, the information being provided to the Board, Member contribution, and interfaces with CMT.

Whilst the internal and peer review processes have indicated potential improvements which may be made in terms of NIFRS' Corporate Governance arrangements, NIFRS remains in compliance with Corporate Governance best practice.

The results of both exercises are being used to inform the ongoing review of Corporate Governance arrangements within NIFRS.

In October 2012, a series of external reports were issued following the investigation of a number of whistleblowing allegations. Progress against recommendations is being overseen by the Audit, Risk & Governance Committee and independently verified by an Auditor from DHSSPS Internal Audit Department. These issues are subject to ongoing discussion at Accountability Meetings and follow-up reports have now been provided to the Public Accounts Committee (PAC).

3. Governance Framework

In discharging this accountability, Board Members and Senior Officers are responsible for putting in place proper arrangements for the governance of NIFRS' affairs and the stewardship of the resources at its disposal. To this end, NIFRS has approved and adopted a Corporate Governance Framework which is consistent with the principles and reflects the requirements of the Good Governance Standard for Public Services. The Corporate Governance Framework is underpinned by a number of documents including but not limited to:

- NIFRS Standing Orders;
- NIFRS Standing Financial Instructions;
- NIFRS Scheme of Delegation; and
- NIFRS Schedule of Matters Reserved for Board Decisions.

In addition an Assurance Framework (February 2015) has been developed outlining roles, responsibilities and reporting requirements with respect to achievement of corporate objectives through planning and management of risk. The Assurance Framework will be reviewed annually going forward to ensure it remains at the forefront of best practice. The key organisational structures which support the delivery of corporate governance in NIFRS comprise:

- NIFRS Board;
- NIFRS Board Committees;
- Chief Executive; and
- Corporate Management Team.

NIFRS Board

The Fire and Rescue Services (NI) Order 2006 established the NIFRS Board to replace the Fire Authority for Northern Ireland from 1 July 2006. The Board comprises a Non-Executive Chairman, the Chief Fire Officer and 10 Non-Executive Members, 4 of whom are District Councillors.

The Chairman and Board Members are appointed by the Minister for a period of no more than four years in line with the guidance of the Commissioner for Public Appointments for Northern Ireland.

NIFRS Board provides leadership, vision and strategic direction to the management of NIFRS operations, staff and financial systems. The detailed functions, duties and powers of the NIFRS Board are set out in The Fire and Rescue Services (NI) Order 2006 and the roles of the Chairman of the Board and its Members are further set out in the Management Statement between DHSSPS and NIFRS which was last updated in June 2011.

The Management Statement states that:

“Board Members have corporate responsibility for ensuring that the Board complies with any statutory or administrative requirements for the use of public funds and fulfils the aims and objectives set by the Minister and for promoting the efficient and effective use of staff and other resources”.

Other responsibilities of the Board include:

- Ensuring that high standards of corporate governance are observed at all times, including using the Board's Audit, Risk & Governance Committee to address the key financial and other risks facing the organisation;
- Ensuring that DHSSPS is kept informed of any changes which are likely to impact on the strategic direction of the Board or on the attainability of targets, and determining the steps needed to deal with such changes;
- Ensuring that the Board receives and reviews regular financial information concerning its management, is informed in a timely manner about any concerns about its activities and provides positive assurance to DHSSPS that appropriate action has been taken on such outcomes;
- Establishing the overall strategic direction of NIFRS within the policy and resources framework agreed with DHSSPS;
- Ensuring that NIFRS fully meets its aims and objectives as efficiently and effectively as possible by scrutinising and challenging performance against targets, the risks faced by NIFRS and the financial management arrangements;
- Ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with DHSSPS, and in accordance with any other conditions relating to the use of public funds;
- Ensuring that, in reaching decisions, the Board has taken into account any guidance issued by DHSSPS and other relevant organisations;
- Ensuring that, in the development of significant new policies, the Board consults with DHSSPS and other relevant organisations as it considers appropriate and that copies of NIFRS policies are furnished to DHSSPS; and
- Overseeing the appointment of the Chief Executive and Chief Fire Officer and all appointments at Director level and to determine all matters relating to their terms and conditions of appointment and service.

Board attendance and performance are reviewed annually as part of the Board Appraisal process. Attendance has not been highlighted as an issue during 2014-15; all Board meetings were quorate although some meetings were postponed as they were not quorate. Attendance at each of the 11 Board Meetings during 2014-15 was as follows:

Board Member	29/04/14	24/06/14	26/08/14	30/09/14	28/10/14	17/11/14#	17/11/14	16/12/14	27/01/15	24/02/15	31/03/15
Cllr D Barbour	✓	✓	✓	✓	✓	X	X	X	✓	✓	✓
Mr J Barbour	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
Cllr M Carr	✓	✓	✓	X	✓	✓	✓	X	✓	✓	✓
Mrs S Grant*	✓	X	X	X							
Mr A Hanna	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓
Mr K Henning**					✓	✓	✓	✓	✓	✓	✓
Mr M Kerr*	✓	X	✓	✓							
Mr C Mack*	✓	✓	✓	✓							
Dr J McKee OBE - Chair	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Ald G Rice MBE	X	X	✓	X	X	✓	✓	✓	X	✓	✓
Mr G Smyth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr A Watson***								X	✓	✓	✓
Mr T Wright**					✓	✓	✓	✓	✓	X	✓
Mr C Kerr – CFO Interim	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓
Total Attendees	10	7	9	7	8	8	9	8	10	9	11
% of Total	91	64	82	64	80	80	90	73	91	82	100

* Board Member term ended 30 September 2014, ** Board Member term commenced 1 October 2014,

*** Board Member term commenced 15 December 2014, # Special Meeting

In line with DHSSPS requirements, the NIFRS Board has completed, approved and submitted a Board Governance Self-Assessment for 2014-15. This was submitted to DHSSPS on 2 April 2015. Within this document the Board has identified a number of areas for improvement including:

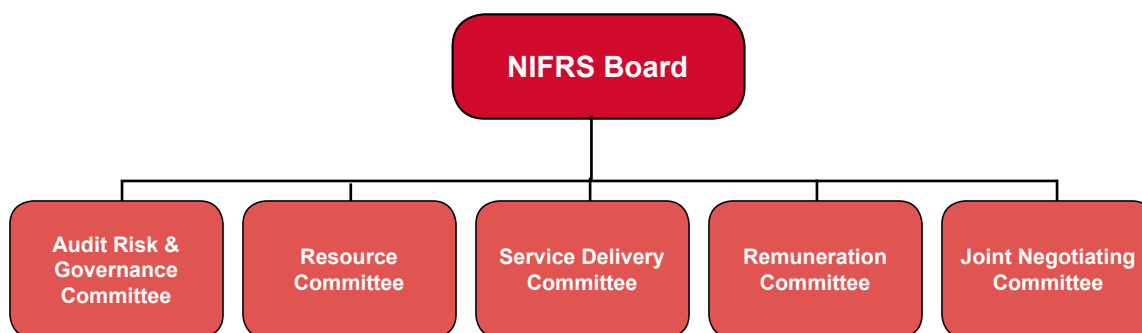
- Training Programme – a Board training programme will be developed for 2015-16 to address needs arising from a skills audit;
- Post Project Evaluations – not currently provided to Board but Chairman to address with Chief Executive;
- Governance Framework, related policies and procedures, in addition to Board information requirements require updating; and
- Timing of meetings – a meeting timetable will be developed in advance to improve attendance at Committee Meetings.

In addition, the Board also highlighted issues in respect of the vacancies within the Board and succession planning which were under the direct control of DHSSPS via the Public Appointments Unit.

All Board Members have received a copy of the Department's Code of Conduct and Code of Accountability updated as of February 2013. Compliance with this Code is monitored by the Board Chairman as part of each Non-Executive Board Member's annual appraisal. A process will be established for Executive Board Members during 2015-16. Throughout 2014-15, Board Members have strived to behave in a manner consistent with the behaviours expected of them and within the guidelines of the Code of Conduct and Accountability. No exceptions have been recorded.

Board Committees (to 31 March 2015)

The NIFRS Board is supported by 5 Standing Committees, all regulated by terms of reference contained within a Briefing Paper approved by the NIFRS Board on 29 April 2014.



This Briefing Paper supplements the existing Standing Orders of the NIFRS Board and provides a framework through which the conduct of Board and Committee Meetings is regulated.

NIFRS has established a suitable control environment and effective internal controls that provide assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies. Some of the internal controls include:

- Responsibility of the Chief Executive, as Accounting Officer, for NIFRS systems of internal control;
- Establishment of 5 Standing Committees, including the Audit, Risk & Governance Committee, all of which have agreed Terms of Reference;
- The effective operation and reporting structure for the independent Internal Audit function, including the audit of the risk management process as part of the Annual Audit Plan;
- Policies which govern how business is conducted within NIFRS;
- Documentation of procedural manuals in support of all core business activities;
- Organisational-wide IT internal controls associated with core business systems of operational response, financial management, budgeting and forecasting, procurement, project management, HR management and statistical reporting;
- Quarterly Director Assurance Declarations linked to risk and covering the effectiveness of key systems and deliverables within their area of responsibility;
- Bi-annual Accounting Officer Assurance Statements to DHSSPS;
- Operations Management Framework;
- Regular Accountability Meetings with DHSSPS;
- Regular Board and Budget-Holder management reporting; and
- Submission of monthly Departmental Returns.

Whilst no specific issues were identified with respect to Board or Committee performance during 2014-15, no formal mechanism exists for monitoring group performance in Board or Committee settings. This was identified during completion of the Board Governance Self-Assessment and will be addressed as part of the ongoing Governance Review.

Chief Executive

The Chief Executive of NIFRS is the Accounting Officer who through the Board has delegated authority for the day-to-day management of NIFRS. I therefore have responsibility for the overall organisation, management and staffing and for its procedures in financial and other matters including conduct and discipline. The powers and responsibilities of the Chief Executive are detailed within the NIFRS Scheme of Delegation which should be read in conjunction with the NIFRS Corporate Governance Framework.

As Accounting Officer, I am responsible to the Permanent Secretary of DHSSPS:

- for the propriety and regularity of the public finances of NIFRS;
- for the keeping of proper accounts, for prudent and economical administration; and
- for the avoidance of waste and extravagance and for the efficient and effective use of all resources as set out in the Management Statement and Financial Memorandum between DHSSPS and NIFRS.

Corporate Management Team (CMT)

I chair the Corporate Management Team (CMT) which manages the day-to-day business of NIFRS and provides corporate leadership to the organisation as a whole. The CMT comprises the Chief Executive and six other directors:

- Director of Operations/Interim Chief Fire Officer;
- Director of Community Protection;
- Director of Operational Support Services (post filled in a temporary capacity throughout 2014-15);
- Director of Finance;
- Director of Human Resources; and
- Director of Planning, Performance & Governance.

NIFRS is committed to fulfilling its responsibilities in accordance with the highest standards of good governance, underpinned by the ethical behaviour of Officers and Members.

The NIFRS Governance Framework has been in place for the duration of year ended 31 March 2015 and up to the date of approval of the Statement of Accounts.

Audit, Risk & Governance Committee

The Audit, Risk & Governance Committee is responsible for ensuring that all NIFRS financial and operating systems reflect best practice and ensure adequate safeguards against fraud and theft.

The Terms of Reference for the Audit, Risk & Governance Committee were approved by the Board on 29 April 2014 and all Internal and External Audit reports and recommendations are presented to this Committee, along with details of any suspected/proven frauds and the quarterly analysis of corporate and function risk assessments.

The Business Service Organisation (BSO) was appointed as NIFRS' independent Internal Auditors and commenced work on an agreed Internal Strategy & Plan on 1 April 2014. The Internal Audit processes were managed in line with Public Sector Internal Audit Standards.

Three members of the Audit, Risk & Governance Committee have been appointed as the Board Champions for Risk Management, Information Management and Business Continuity Management, and work closely with lead officers with regard to the establishment of proactive and reactive controls in these areas.

The Chair of the Audit, Risk & Governance Committee provides a verbal update at each Board Meeting following an Audit & Risk Management Meeting and the minutes from meetings are provided to the full Board Meeting to ensure full disclosure.

In September 2014 the Audit, Risk & Governance Committee carried out a self-assessment exercise using the National Audit Offices' Audit Committee Self-Assessment Checklist. This exercise highlighted a number of issues which required addressing including:

- Whistleblowing Policy and Codes of Conduct require re-examination; and
- Board information requirements need reviewed.

Role of Business Service Organisation (BSO) Internal Audit

During 2014-15, BSO Internal Audit Unit (IAU) operated to standards defined in the Public Sector Internal Audit Manual (PSIAM). In line with an approved risk based audit plan BSO IAU submit regular reports to the Audit, Risk & Governance Committee. These reports include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the organisation's system of internal control together with recommendations for improvement.

Other Sub-Committees

The Resources, Service Delivery, Remuneration and Joint Negotiating Committees are responsible for monitoring and developing policies to ensure that the Board is meeting its statutory obligations in relation to all aspects of financial regularity, human resource related issues and operational service delivery and safety, all whilst ensuring systems are in place to ensure the delivery of the organisation's key objectives.

As with the Audit, Risk & Governance Committee, the Chairs of the above Committees provide a verbal update at each Board Meeting following Sub-Committee Meetings; the minutes from these meetings are also provided to the full Board Meeting to ensure full disclosure.

Other Assurance Mechanisms

Acknowledging that each Director has a number of functions under his/her control, the resulting assurance would be weak without an assurance framework covering all functional managers. To overcome this weakness, I have established an Assurance Framework with Directors reporting to me as Chief Executive Officer/Accounting Officer.

The Assurance Statement Declaration looks at the following:

- General responsibilities for maintaining a sound system of control;
- Specific responsibilities as outlined in Job Descriptions or Project Initiation Documents (if in charge of a specific project); and
- Identification of all known risks via Corporate and Functional Risk Registers.

These Assurance Statements are produced quarterly and processed through the chain of command to inform Accountability Meetings and my Governance Statement.

In addition to the above, due to the operational procedures of the Fire & Rescue Service, there is an implicit culture of risk awareness and risk assessment within the organisation which supports the internal control environment.

4. Framework for Business Planning, Performance Management and Risk Management

Business planning, performance and risk management are at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

NIFRS' Business Planning Process

Strategic planning determines where NIFRS is going over the next 3 year period (extended to 5 years for 2015-16 onwards), how it is going to get there and how it will know if it got there or not. The focus of a strategic plan is usually on the entire organisation, while the focus of a business plan is usually on a particular product, function, service or programme.

During 2014-15, and under the direction of the nominated Lead Director, NIFRS used a Vision/Objective based method of planning where planning was carried out using a top-down bottom-up approach. This is a basic seven step strategic planning process involving:

- Identifying purpose (Mission Statement);
- Establishing a Vision Statement;
- Selecting the strategic aims NIFRS must reach if it is to effectively work towards its mission and achieve it;
- Identifying specific approaches (or strategies) that must be implemented to reach each strategic aim;
- Identifying specific action plans to implement each strategy (or actions to achieve each objective);
- Compiling the mission, vision, strategies and action plans into a Corporate Planning document; and
- Monitoring implementation of the Plan and updating the Plan as needed.

Top level management, including the Board and other relevant internal/external stakeholders, were involved in the development of and agreement on the existing Mission Vision and Values. The existing Mission, Vision & Values were set in 2006 and were reviewed during 2014-15 for inclusion in the Corporate Plan 2015-20 which will be effective from 1 April 2015.

NIFRS use both SWOT and PEST analysis to evaluate its Strengths, Weaknesses, Opportunities, and Threats and to determine how it is affected by its environment (internal and external) in terms of Political, Economic, Social and Technological influences. This process looks at both operational and organisational drivers to determine priorities. The combination of outcomes from both processes provide a basis for the analysis of business and environmental factors in terms of what we are doing and more importantly, what NIFRS should be doing going forward.

NIFRS Board and the Corporate Management Team (CMT) use this information to carry out a risk assessment which clearly highlights key goals for the organisation broken up by theme and actions necessary to alleviate the highest areas of risk to the organisation.

Acknowledging risk, NIFRS' strategic aims and objectives are reviewed annually by CMT who will endeavour to develop a number of parameters against which progress can be measured and reported. This is based on the premise that 'what gets measured gets done'. With this in mind, when establishing strategies and action plans, CMT will, where possible, pre-determine milestones, expected outcomes and a method of measuring actual outcomes.

The Annual Business Plan 2014-15 was generated based on the revised strategic objectives and included DHSSPS ALB Annual Compliance Targets. A final draft Annual Business Plan 2014-15 was presented to and approved by the NIFRS Board in January 2014.

Results against targets and performance measures are reported quarterly to the Board, discussed at quarterly Accountability Meetings with DHSSPS and included in the Annual Report at the year end. DHSSPS compliance requirements are reported bi-annually in September and March using the Red Amber Green (RAG) rating process.

It should be noted that a number of tasks were not completed during 2014-15 as a result of the impact of planning for and delivering in-year efficiency savings. This was mainly due to the amount of time that the organisation had to commit to ensuring it delivered the 2014-15 budget savings mandated by DHSSPS whilst also developing budget options for 2015-16. The impact of an additional significant budget reduction in 2015-16 will further inhibit progress on the outstanding targets.

NIFRS' Risk Management Process

NIFRS Assurance Framework and Corporate Risk Management Strategy state how risks will be identified, evaluated, controlled and escalated. These documents also describe the ways through which risk management activities have become embedded in the activities of NIFRS.

This document links closely to the Corporate Risk Management Policy which states:

“Risk Management is the process of identifying significant risks to the achievement of the organisation’s Strategic Aims, evaluating their potential consequences and implementing the most effective way of controlling them”.

NIFRS is committed to establishing and maintaining a systematic approach to the identification and management of risk.

NIFRS' risk management objectives are to:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of NIFRS;
- Manage risk in accordance with best practice;
- Anticipate and respond to changing social, environmental and legislative requirements;
- Consider compliance with health and safety, insurance and legal requirements as a minimum standard;
- Prevent death, injury, damage and losses and reduce the cost of risk;
- Inform policy and operational decisions by identifying risks and their likely impact; and
- Raise awareness of the need for risk management by all those connected with NIFRS' delivery of service.

These objectives are achieved by:

- Clearly defining the roles, responsibilities and reporting lines within NIFRS for risk management;
- Including risk management issues when writing reports and considering decisions;
- Continuing to demonstrate the application of risk management principles in the activities of NIFRS, its employees and Board Members;
- Reinforcing the importance of effective risk management as part of the everyday work of employees and Members;
- Maintaining a register of risks linked to NIFRS' corporate and operational objectives, also those risks linked to working in partnership;
- Maintaining documented procedures on the control of risk and provision of suitable information, training and supervision;
- Maintaining an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence;
- Preparing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon NIFRS' ability to function; and
- Monitor arrangements continually and seek continuous improvement.

Risk Management within NIFRS does not equate to risk avoidance and may involve taking steps to reduce risk to an acceptable level or transferring risk to a third party.

NIFRS' risk appetite may involve one or more of the following:

- tolerating the risk and accepting the related risk;
- treating the risk in an appropriate way, such as using insurance to constrain the risk to an acceptable level or actively taking advantage regarding the uncertainty as an opportunity to gain a benefit;
- transferring the risk via contractual obligation with a third party; or
- terminating the activity giving rise to the risk.

NIFRS Board has delegated day-to-day risk management activities to the Chief Executive/ Accounting Officer and to the Corporate Management Team (CMT) and as such we have put appropriate internal controls in place to mitigate detected risks.

The Corporate Risk Management Policy has been developed to complement and inform the business planning and environmental scanning processes which form the basis of the strategic planning process within NIFRS. Senior Managers are responsible for highlighting the areas of risk within their functions which may inhibit or prevent the achievement of NIFRS' mission, vision and values. Once recorded, risks are then assessed against likelihood and impact assessment tables to give an indication of overall risk and all functional risks are then pooled. As overall resources are currently limited, CMT prioritise based on highest risk.

Strategy mapping has highlighted key themes, each of which has a number of objectives and actions required. From this, projects are developed to mitigate/reduce risk and the Annual Business Plan emerges. Once agreed by CMT, the Annual Business Plan is presented to the Board who, once content, will ratify its adoption.

The Corporate Risk Register is used to assess the controls in place, the remaining gaps, the specific risks attached to the projects and mitigating controls put in place to reduce organisational risk.

Both the Annual Business Plan and Corporate Risk Register are updated on a quarterly basis and presented to NIFRS Board or Sub-Committees thereof.

During 2014-15, protocols have been strengthened with regard to monitoring risks and escalating changes in the risk profile to NIFRS Board as follows:

- Key organisational objectives are set by the Board and the CMT. Risks associated with the non-achievement of these objectives are identified and appropriate mechanisms to control these risks established based on CMT experience and National Best Practice. Changes to the risk profile will then be notified to NIFRS Board; and
- Risk management is included as an agenda item for CMT meetings to enable reporting and review of new risks, the effectiveness of controls over risks identified, the progress of action plans and to facilitate early corrective action.

In terms of operational risk, an Operational Management Framework (OMF), Operational Management & Safety Programme (OMSP), Operational Assurance (Audit) Strategy, Operational Risk Management (ORM) Strategy and Operational Management Assurance & Accountability Framework all provide Area, District and Station-based personnel with clear direction on the management of operational and organisational risk. This has been supported by issuing additional good practice guidance and relevant training. Dates and details of guidance and training provided are retained.

5. Information Risk

Data Protection and Freedom of Information

Whilst NIFRS hold some sensitive information relating to:

- Potential employees (application and equality monitoring forms);
- Actual employees (employee information extracted from application forms and equality monitoring forms, payroll information, medical information, sickness details, employer/employee relations liability claims and supporting documents for disciplinary/tribunal proceedings);
- Pensioners (pensioner information extracted from pension application forms and/or previous employee file and pension payment information); and
- Third parties (home fire safety audits, statutory inspections and invoice payment details); this information is controlled and managed in line with the eight principles of data protection outlined in the Data Protection Act 1998.

The above information is held both electronically and in hard copy and requests for information are made through the proper channels. All requests for personal information are governed by the IS/IT Policy and/or NIFRS Guidance on the Management of Personal Files.

The Director of Planning, Performance & Governance is the nominated Senior Information Risk Officer (SIRO) and is responsible for ensuring that compliance monitoring and reporting processes are in place, via a quarterly return made to DHSSPS, detailing information requests received and responded to.

In addition, by virtue of their employment contracts, the Interim Chief Executive, Interim Chief Fire Officer, all Senior Managers and staff must comply with the NIFRS Code of Conduct which at paragraph 9 requires all employees “to protect official information held in confidence”. This is supported by the Data Protection Policy.

In 2014-15 the Information Management Controls Assurance exercise highlighted a number of issues with respect to Data Protection and Freedom of Information within NIFRS, which resulted in an overall limited level of assurance (ie there is considerable risk that the system will fail to meet its objectives and prompt action is required to improve the adequacy and effectiveness of risk management, control and governance).

The areas of significant concern noted include:

- Strategy and Policy review and updates;
- Responsibility for Data Protection/Freedom of Information at Board and local levels;
- Internal reporting of Data Protection/Freedom of Information breaches;
- Staffing within the Data Protection/Freedom of Information function; and
- Accessibility of computer hardware.

NIFRS is committed to the control, management and security of information in line with the eight principles of data protection as outlined in the Data Protection Act 1998 and adherence to the guidance set by the Information Commissioner's Office.

During 2014-15, there were no reportable potential data protection breaches.

Information Governance

In addition to the Information Management Controls Assurance exercise, limited assurance was provided by BSO Internal Audit in respect of an Information Governance Audit. A number of priority one findings were made as follows:

- Information Governance is not well embedded within NIFRS and has not previously been managed effectively. There is a considerable agenda of work now required to implement requirements and processes within the organisation.
- There are no clear or formalised reporting lines or information governance structures. There is currently no Information Governance operational lead in place to manage and monitor information governance across the organisation. NIFRS has not yet appointed and trained governance leads within each Directorate for Information Governance.
- Although there have been no Information Governance incidents reported in the last three years, raising awareness and effective reporting processes are part of what is now required to embed effective information governance in the organisation.
- NIFRS is not substantively compliant with the Information Management Controls Assurance Standard and is not on target to meet this DHSSPS target by March 2015.
- NIFRS has not yet identified and recorded all sources of information it is holding and transferring. A cataloguing exercise to identify NIFRS' data flows has yet to be initiated. As a result, Information Governance Risk Assessments have yet to be performed, an Information Asset Register compiled and a Data Access Agreement Register maintained.
- No training in relation to Information Governance, other than Data Protection, has been provided to staff. Training records are not maintained or monitored by management.

An action plan has been developed to manage the implementation of all recommendations made in the Information Governance Audit. Information Governance is a standing item on the Audit, Risk & Governance Committee agenda. This Committee provides an oversight function, and scrutinises the action plan and progress in this area.

ICT Security Risks

NIFRS has an IT Project & Security Manager specifically tasked with reviewing and policing IT security.

The IT Project & Security Manager sits on the NIO Security Forum which actively monitors information security problems and developments. In addition, the IT Project & Security Manager has been trained in InfoSec 1 and 2 (Information Security Standards) via the National School of Government with a primary focus on mitigating risk to an acceptable level. These standards are incorporated into the day-to-day management of information risk within NIFRS.

An IS/IT Security Policy (available on all desktops) is in place and staff must acknowledge the Policy every time they log onto the system. All new employees are required to read and sign a copy of the Policy as part of their induction process. In addition, during refresher courses for existing employees, this Policy is covered.

Systems access is password controlled, application owners authorise the nature and extent of user access privileges and such privileges are reviewed by application owners to ensure access privileges remain appropriate.

ICT issue Notebooks and PDAs which are also password protected and have had encryption software (BeCrypt) loaded as standard. The use of data storage devices, such as USB drives, is prohibited pending the acquisition of 'IronKeys' as the organisation standard.

Software has been installed to monitor email and internet traffic into and out of the organisation (taking into account data protection requirements) and reports generated and reviewed on a daily basis for potential security breaches.

In addition with regard to electronic methods of protecting the network, appropriate physical security measures are in place with regard to the central and backup server rooms.

In line with NIFRS Policy, all computer equipment is recorded on the inventory lists for individual locations and checked quarterly to ensure that ICT equipment can always be accounted for.

An ICT Business Continuity Plan is in place which provides details of the procedures to be followed in order to restore ICT services in the event of an outage. This forms part of the overall NIFRS Business Continuity Plan which is updated and tested annually.

Data Quality – Board Information

In light of issues emerging from prior year whistleblowing reports, the NIFRS Board has specifically requested a review of the information being provided to them to ensure its accuracy and completeness. This area has been drawn out in the Board Self-Assessment 2014-15 and an exercise is to be undertaken during 2015-16 in terms of Data Quality, both at Board level and organisationally.

In February 2015 a Data Quality Policy was implemented which should ensure improvements in the quality of data provision in 2015-16.

6. Public Stakeholder Involvement

NIFRS has established a number of interagency partnerships and continues to use mechanisms such as:

- Advertising;
- Leaflet drops;
- Roadshows, eg road safety;
- Demonstrations, eg chip pan burns;
- School Education Programmes;
- Special Engagement Programmes, eg Local Intervention through Fire Education (LIFE) Schemes;
- Home Fire Safety Checks;
- Public discussion forums; and
- Station open days;

to help engage with external stakeholders thus allowing NIFRS to discharge its proactive engagement responsibilities in respect of firefighting, road traffic collisions and other emergencies as laid down in The Fire & Rescue Services (Northern Ireland) Order 2006.

7. Assurance

NIFRS' system of internal control is based on ongoing management and review processes introduced to minimise the impact of risks to the achievement of NIFRS' mission, aims and objectives. This system of internal control has been in operation throughout the financial year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts.

NIFRS' internal control environment is fundamental to the operation of the assurance framework and is designed to manage risk to acceptable levels. It is not possible to eliminate all levels of risk of failure in respect of NIFRS' aims and actions and accordingly NIFRS' internal controls can only provide reasonable but not absolute assurance of effectiveness.

In summary, NIFRS' Internal Control Environment includes:

- A high level vision/core purpose embedded in the service planning, delivery, risk management and performance management frameworks;
- A hierarchical management structure governed by CMT responsible for overseeing the running of the Fire Service supported by a range of Senior Managers responsible for the day-to-day management of their respective Directorates. The above groups are supported by Area Commanders who are responsible for the delivery of all Fire Service activities to the people of their individual areas;
- A developing Operational Assurance Function to review operational aspects of the Service as well as specific activities aligned to meet the future requirements of the Service. Areas of coverage include:
 - A move to Peer Review;
 - Developing the Role of the Operational Assurance Officer at Major Incidents;
 - Developing Colleagues;
 - Qualitative Analysis of Training;
 - Fatal/Serious Incident Procedure; and
 - Failure to Respond.

- A comprehensive budget setting and monitoring framework including clearly defined guidelines and responsibilities with frequent reporting of performance to the Finance Committee;
- A contracted-out Internal Audit service, meeting all professional standards, supports NIFRS in the achievement of its improvement agenda and has responsibility for the continual review of major financial controls and the wider internal control environment;
- A Corporate Governance Framework that is assessed annually by Internal Audit in terms of compliance with the Controls Assurance Standards. Progress is reported to CMT and the Audit, Risk & Governance Committee;
- An Assurance Framework, Corporate Risk Management Strategy, Policy & Procedure, and Corporate Risk Register approved and monitored by the Audit, Risk & Governance Committee and NIFRS Board. The Assurance Framework demonstrates that risk management arrangements are robust and embedded within the service planning and decision-making processes of the Board;
- Regular risk management reports are presented to the Audit, Risk & Governance Committee outlining key risks (and their relevant movements);
- Published Whistleblowing Policy and Fraud Policy to ensure correct reporting and investigation of suspected fraudulent activities;
- An ICT Strategy structured under the key areas of Infrastructure, Application Systems and Management Systems;
- An Audit, Risk & Governance Committee to oversee the work of the Internal and External Audit functions and provide independent assurance of the effectiveness of:
 - The governance arrangements of NIFRS and its services;
 - NIFRS' risk management framework and the associated control environment; and
 - NIFRS' financial management framework processes and the way this relates to the performance of individual functions and the Service as a whole; and
- Regular briefings for Members of NIFRS Board/Sub-Committees on all significant financial, operational and strategic decisions.

During 2014-15, the NIFRS Chairman reported on the outcomes of a questionnaire issued to all Board Members covering a range of topics including the quality of information provided and the balance between finance, quality and performance information. Responses indicated that Members were generally satisfied that they are receiving good information in the right mix although scores would indicate some scope for improvement. Following the review of Sub-Committee structures and meeting schedules at the end of 2014-15, I will, in early 2015-16, be looking at Board information needs.

Controls Assurance Standards

NIFRS has assessed its compliance with applicable Controls Assurance Standards defined by DHSSPS and against which a degree of progress was expected in 2014-15. The organisation achieved the following levels of compliance for 2014-15:

Standard	DHSSPS Expected Level of Compliance	NIFRS Level of Compliance	Audited by Internal Audit	Change from 2013-14
Buildings, land, plant and non-medical equipment	75% - 90% (Substantive)	60.0% (Moderate)	Yes	↑
Decontamination of medical devices	75% - 90% (Substantive)		N/A	
Emergency Planning	75% - 90% (Substantive)	82.4% (Substantive)	No	↔
Environmental Cleanliness	75% - 90% (Substantive)		N/A	
Environment Management	75% - 90% (Substantive)	56.0% (Limited)	No	↔
Financial Management (Core Standard)	75% - 90% (Substantive)	77.8% (Substantive)	Yes	↑
Fire safety	75% - 90% (Substantive)	89.0% (Substantive)	No	↔
Fleet and Transport Management	75% - 90% (Substantive)	87.2% (Substantive)	No	↔
Food Hygiene	75% - 90% (Substantive)	91.0% (Full)	No	↔
Governance (Core Standard)	75% - 90% (Substantive)	67.9% (Moderate)	Yes	↔
Health & Safety	75% - 90% (Substantive)	91.0% (Full)	No	↔
Human Resources	75% - 90% (Substantive)	76.6% (Substantive)	No	↑
Infection Control	75% - 90% (Substantive)		N/A	
Information Communication Technology	75% - 90% (Substantive)	68.7% (Moderate)	No	↔
Information Management	60% - 74% (Moderate)	58.5% (Limited)	No	↔
Management of Purchasing	75% - 99% (Substantive)	74.9% (Moderate)	No	↔

Standard	DHSSPS Expected Level of Compliance	NIFRS Level of Compliance	Audited by Internal Audit	Change from 2013-14
Medical Devices and Equipment Management	75% - 90% (Substantive)		N/A	
Medicines Management	75% - 90% (Substantive)		N/A	
Research Governance	75% - 90% (Substantive)		N/A	
Risk Management (Core Standard)	75% - 90% (Substantive)	78.7% (Substantive)	Yes	↔
Security Management	75% - 90% (Substantive)	53.7% (Limited)	Yes	↔
Waste Management	75% - 90% (Substantive)	N/A	Yes	↔

Key	
↑	Improving Assurance
↔	Unchanged Assurance

The required level of assurance was recorded in all areas except:

- Buildings, Land, Plant and Non-Medical Equipment;
- Environment Management;
- Governance;
- Information Communication Technology;
- Information Management;
- Management of Purchasing; and
- Security Management.

Whilst a positive direction of travel was noted in all instances, when compared to 2013-14 outcomes, significant improvements (eg movements between assurance levels) were noted in three instances (eg Buildings, Land, Plant and Non-Medical Equipment; Financial Management and Human Resources).

The self-assessment exercise continues to highlight areas for improvement within the control environment which need to be initiated to mitigate against existing weaknesses. Action plans have been agreed in respect of those areas which failed to achieve the pre-defined minimum standard.

In terms of the three core standards, minimum compliance was achieved in all areas with the exception of Governance. A total of 16 recommendations for improvement have been made against this standard, including recommendations highlighted under the Risk Management & Financial Management Standards and additional recommendations on review of the existing Governance Framework and related policies, structural review, peer review and training.

8. Sources of Independent Assurance

NIFRS obtains Independent Assurance from the following sources:

- Internal Audit; and
- Northern Ireland Audit Office.

Internal Audit

NIFRS utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of the risk to which NIFRS is exposed and annual audit plans are based on this analysis.

The Business Service Organisation (BSO) was appointed as NIFRS independent Internal Auditor and commenced work on an agreed Internal Strategy and Risk Based Audit Plan on 1 April 2014.

BSO Internal Audit has had no executive responsibilities within NIFRS during 2014-15 and was independent of the activities that it audited, thus enabling it to perform its duties in a manner which facilitates impartial and effective professional judgements and recommendations.

All audit assignments included in the 2014-15 Internal Audit Plan were carried out as scheduled and outcomes of this assurance work are summarised as follows:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED
Finance Audits:	
Payroll	Satisfactory
Pensions	Satisfactory – Current Controls Limited – Future of Pensions Function
Non Pay Expenditure	Satisfactory
Bank and Cash (including Income Receipting)	Satisfactory – Overall Limited – Imprest Accounts
Corporate Risk Audits:	
Procurement and Contract Management	Limited
Estates Management	Limited
Stores Management	Limited
IT Governance	Limited
Retained Station Visits	Limited
Governance Audits:	
Risk Management	Satisfactory
Governance	Limited
Performance Management	Satisfactory
Information Governance	Limited

In the Year-End Report, the BSO Head of Internal Audit (HIA) gave overall limited assurance over the system of internal control for the year ended 31 March 2015, whereby limited is defined as “there is an inadequate and/or ineffective system of governance, risk management and control in place. Therefore, there is significant risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and/or effectiveness of governance, risk management and control”.

This conclusion was reached based on the volume of Audit Reports that received limited assurance opinions in 2014-15 and the particularly significant nature of some of these areas, for example, Governance, Procurement and Contract Management and Information Governance. The HIA also took account of the number of outstanding recommendations that require further action and the organisation's failure to achieve substantive compliance within the Governance and Buildings, Land, Plant and Non-Medical Equipment controls assurance standards.

The HIA did however recognise that the organisation has an awareness of the issues that it faces and the work required to resolve these issues, which is currently under way.

Acknowledging that 7 of the 13 audit assignments detailed above resulted in Limited Assurance and another 2 in partial Limited Assurance, I tasked CMT with developing a schedule linking the 14 Business Improvement Themes identified during 2014-15, to the limited or partially limited assurance issues identified by Internal Audit and existing mitigations in each area. This schedule was then considered in the development of the divergence list included at Section 10. It is however important to note that a limited Internal Audit report will not automatically result in a divergence being identified as existing controls sufficiently mitigate risk.

During 2014-15, Internal Audit work identified the following Priority 1 findings.:

Audit Title	Priority 1 Issues
Payroll	<ul style="list-style-type: none"> • Both Payroll Systems have limited system functionality and require significant manual input and workarounds/add-ons which increases the amount of time spent on payroll and risk of human error. There is a significant reliance on the two Payroll Supervisors in terms of the Systems themselves and system add-ons. • There is one generic log-in for the Retained Payroll System. IT was unable to provide Internal Audit with a report detailing log-in and permission levels for the Retained System. There is no audit trail or reports available from the System to show what transactions and adjustments have been made and by whom. • A leaving date is entered onto the Retained Payroll System when an Officer is confirmed as leaving the Service. This does not stop any future payments being made to this leaver. Internal Audit acknowledge that to minimise this risk, Retained Payroll Staff check any leaver payments as part of their month end process. • A documented authorisation framework for payroll related transactions is not in place. • Staff in Post (SIP) reports are not issued to budget holders for checking.
Pensions	<ul style="list-style-type: none"> • Since December 2014, the Axise System has ceased to operate and all calculations are now being performed manually. The Pensions Manager who was the only substantive employee in the Department left NIFRS at the end of February 2015 and no replacement has been appointed.
Non-Pay Expenditure	<ul style="list-style-type: none"> • In relation to Payments Systems: <ul style="list-style-type: none"> - Procedures need to be developed to document the process and controls for gaining access to the System. - There is a lack of formal clarity over the process for deleting leavers from the System. At present there are staff members who have left employment with NIFRS who have not been deleted from the System. - There is no monthly review of additions and amendments to supplier details, particularly bank details.

Audit Title	Priority 1 Issues
Bank & Cash	<ul style="list-style-type: none"> • Standing Orders and NIFRS Standing Financial Instructions have not been subject to review since May 2011 and April 2009 respectively. • In relation to Imprest Accounts: <ul style="list-style-type: none"> – The Finance Department does not carry out routine visits to the Area Commands, Districts and Stations to ensure that controls are being adhered to in respect of Imprest Accounts. – Procedures relating to Imprest Accounts are outdated, with three versions being presented to Internal Audit. – Reconciliations of Imprest Accounts to general ledger do not take place on a monthly basis. – On review of 10 Imprest Account recoupments submitted to NIFRS Accounts Department in April and May 2014, it was noted that with the exception of the Training Centre, documentation to support the expenditure is not forwarded to Headquarters. Internal Audit could however vouch documentation to support expenditure being held at an Area level. – Proforma documents relating to Imprest recoupments were not signed in all instances by the Area Officer preparing and reviewing these documents. – Internal Audit reviewed all transactions recorded on the Imprest 'Detail of Expenditure' for all Areas for Training Centre for April and May 2014 and noted: <ul style="list-style-type: none"> – 28 transactions did not record whether the transaction was paid by cash or cheque; – On occasions, staff members use their personal cash to make purchases and then recoup from the Imprest Accounts. Internal Audit examined the actual date expenditure was incurred against recoupment and noted 66 had a delay of greater than 7 days, with 27 more than 30 days, and 16 extending from 50 to 407 days; – 14 purchases related to the cutting of keys including a master key for a safe, master keys for lockers, spare key for derv tank and a master key for a District Headquarters; increasing the likelihood of inappropriate access to NIFRS monies/property. On visiting two Area Commands, it was noted that there is no control over the possession or cutting of keys at a local level. – There were many items purchased from the Imprest Accounts, which could not be classed as 'small incidental items' and should have been purchased through a procurement/stores method. • 32 ATM Cards have been issued to staff with responsibility for the day-to-day running of Imprest Accounts. Interim instructions were issued by Finance, however, an approved procedure for their use has not been issued. The Director of Finance, or any senior member of Finance, are not named as signatories on the Imprest Accounts. Finance does not hold a complete list of names of those staff who hold ATM cards; they only hold copies of applications, nor was the Finance Department involved in the approval or issuing of the cards. • 7 out of 32 card holders did not have a daily card limit set on the application form. Internal Audit noted that page one of the application form states that up to £750 of cash can be withdrawn on a daily basis

Audit Title	Priority 1 Issues
Procurement and Contract Management	<ul style="list-style-type: none"> • 7 out of 32 cardholders were clerks or typists. One of these individuals had a daily withdrawal limit of £300. • In the period from April 2014 to July 2014, NIFRS was in breach of NI Public Procurement Policy as they did not have access to a CoPE. Since August 2014, NIFRS has had partial CoPE coverage through the use of BSO PaLS. At the time of audit fieldwork, there was no SLA in place for the provision of this service; however subsequent to fieldwork completion a SLA was signed on 14 October 2014. The relationship between BSO PaLS and the local Procurement Team in NIFRS at an operational level needs to be determined and formalised to document clear roles and responsibilities between each organisation. • One contract (£400,800) was not procured on a timely basis (18 month delay). This delay was due to the absence of a CoPE. Similar delays were noted in two other contracts over the same time period. • There is limited reporting functionality within the Procurement System. • Delegated limits for procurement spend have not been documented within a Scheme of Delegated Authority. • In relation to contract variations: <ul style="list-style-type: none"> – there is no formal approval framework for any variations to contract; – no standard variation forms are completed; – there is no formal oversight of contract variations by CMT. Variations are generally approved by the Procurement Manager. However, if a variation is deemed as having a significant impact or is related to a high value contract, Director approval is sought. The Board has oversight of contracts and their status however this information is limited; and – One contract variation was noted during testing. • 63% of outstanding procurement and contract management recommendations from previous audit reports are Priority One issues.
Estates Management	<ul style="list-style-type: none"> • There are no documented formalised plans in place to provide direction and support effective management of the Estates function. It is acknowledged there is a draft Estates Strategy and Property Asset Management Plan which has only recently been approved. A planned cyclical Maintenance Programme is not yet in place. There is currently an ineffective and unsustainable staffing structure in place. The Estates functions, responsibilities and reporting structure need documented and clarified. • There is no formal Estates performance measurement and reporting to NIFRS Board. • Directly Employed Labour does not appear to be utilised in the most effective manner, with several issues noted in relation to monitoring of worksheets and the DEL contract, particularly regarding the on-call section and use of a NIFRS vehicle to and from work. • In relation to compliance with legislation specific to Estates: <ul style="list-style-type: none"> – there is not yet a database/spreadsheet in place which shows the current position of NIFRS in relation to compliance at Station level with current applicable legislation. – there is no consideration given by CMT or the Board in relation to a consolidated overview of Estates' compliance with statutory requirements on at least an annual basis.

Audit Title	Priority 1 Issues
Stores Management	<ul style="list-style-type: none"> • There are a number of informal Stores in place within NIFRS outside of the control and oversight of the main Stores Department. Central Stores Stock Systems are not consistently used for these sites and valuation of these stocks was not readily available. • At 3 September 2014, a report highlighted that there were 1,286 items of PPE that had not been returned to NIFRS following officers leaving the employment of NIFRS. Internal Audit noted that the letter issued to Officers on their resignation/retirement did not consistently request Officers to return all items of uniform. • No re-order levels have been established for PPE related stock. There have been a material number of stock outs of items of uniforms over the course of the year. The risk in this area has been increased by the fact that there is currently no contract in place for uniforms. • Stores Department staff have not completed Conflict of Interest Declaration Forms.
IT Governance	<ul style="list-style-type: none"> • The current ICT Strategy does not reflect the significant challenges facing the organisation and there is no appropriate linkage between the strategy and the Department's Business Plan. There is currently no IT Group/Committee to oversee the governance and management of IT. • There are limited formal IT performance management arrangements in place. KPIs have been drafted and the IT Service Desk is not fully functioning. • The Head of IT post has been vacant since the start of June 2014. The Department is not appropriately structured into specific sub-units and has had no formal training needs analysis undertaken to ensure staff have the appropriate skill set. During testing it was noted that no staff member in the IT Department has a project management accreditation. • Other Departments within NIFRS regularly develop projects/business cases in relation to IT services/products which are approved without IT being aware of these projects. A recent example was of the Regional Control Centre purchasing numerous Notebooks for staff in their Department without any IT involvement. IT could not provide assurance that these Notebooks had been appropriately encrypted or secured. • The IT Security Policy does not provide direction on password protection, encryption, anti-virus protection and information governance and only limited direction in relation to internet usage.
Retained Station Visits	<ul style="list-style-type: none"> • NIFRS does not currently have an asset tagging system whereby all inventory and equipment items are assigned with a unique asset number. • Numerous areas of non-compliance with mandatory training were noted across all Districts and Stations visited through review of the Training Database.

Audit Title	Priority 1 Issues
	<ul style="list-style-type: none"> Internal Audit reviewed all items of Personal Protective Equipment (PPE) for 12 personnel across the six sites visited and found that PPE records were not up-to-date on nine (75%) out of 12 occasions. In addition, on one occasion no quarterly PPE check had ever been completed as required by the Organisation's PPE Policy. It was also noted at Coleraine District that no records are retained of temporary supplies being loaned out.
Risk Management	<ul style="list-style-type: none"> The Corporate Risk Register is not presented to NIFRS Board and the Board is not directly involved in the identification of corporate risks. Whilst Internal Audit acknowledges that the Audit, Risk & Governance Committee reviews critical risks on a quarterly basis, there is currently no Committee/Sub-Group to oversee and review risk on the registers and actions taken to manage the risks.
Governance	<ul style="list-style-type: none"> Key Corporate Governance documents, such as Standing Orders, Standing Financial Instructions and Scheme of Delegation, are out-of-date and have not been reviewed and approved by the Board. NIFRS did not achieve the required substantive compliance with nine of the 15 applicable DHSSPS controls assurance standards in 2013-14, including 2 out of the 3 core standards. In the majority of these cases, the organisation did not anticipate being substantively compliant with the standards in 2014-15 (as at December 2014). The gaps in the system of internal control, illustrated in performance against the control assurance standards, are further demonstrated by the volume of long outstanding Internal Audit recommendations. Furthermore Management stability issues exist in two areas of significant risk within NIFRS – Estates and IT.
Performance Management	<ul style="list-style-type: none"> A Performance Management Framework has been developed and is largely operational however the document is still in draft. As a result, the structure of the Performance, Planning and Governance Directorate has yet to be confirmed and a Performance Management Information System has yet to be developed and rolled out across the organisation.
Information Governance	<ul style="list-style-type: none"> Information Governance is not well embedded within NIFRS and has not previously been managed effectively. There is a considerable agenda of work now required to implement requirements and processes within the organisation. There are no clear or formalised reporting lines or information governance structures. There is currently no Information Governance operational lead in place to manage and monitor information governance across the organisation. NIFRS has not yet appointed and trained governance leads within each Directorate for Information Governance. Although there have been no Information Governance incidents reported in the last three years, raising awareness and effective reporting processes are part of what is now required to embed effective information governance in the organisation. NIFRS is not substantively compliant with the Information Management Controls Assurance Standard and is not on target to meet this DHSSPS target by March 2015.

Audit Title	Priority 1 Issues
	<ul style="list-style-type: none"> • NIFRS has not yet identified and recorded all sources of information it is holding and transferring. A cataloguing exercise to identify NIFRS' data flows has yet to be initiated. As a result, Information Governance Risk Assessments have yet to be performed, an Information Asset Register compiled and a Data Access Agreement Register maintained. • • No training in relation to Information Governance, other than Data Protection, has been provided to staff. Training records are not maintained or monitored by management.

Recommendations to address these control weaknesses have been or are being implemented.

External Audit and Other Reviews

NIAO audits NIFRS under statute, with the Comptroller & Auditor General (C&AG) giving an opinion on whether:

- the financial statements are 'true and fair';
- the underlying transactions are in accordance with the NI Assembly's intentions and other relevant authorities;
- the Remuneration Report has been properly prepared;
- that information provided in the Annual Report is consistent with the Financial Statements; and
- a number of further matters on which he reports by exception, eg. adequacy of financial records and Governance Statement compliance with DFP guidance.

9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of Internal Governance. My review of the effectiveness of the system of Internal Governance is informed by the work of the Internal Auditors and the Executive Managers within NIFRS who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by:

- Board Reports;
- CMT procedures and associated management action;
- Financial Management reporting;
- Performance Management reporting;
- Committee reporting;
- Risk Management;
- Codes of Conduct;
- Operational Assurance; and
- Internal Audit;

and plan to address weaknesses and ensure continuous improvement to the systems.

**10. Internal Governance Divergences
Prior Year Issues**

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2008-09	<p>Delivery & Innovation Division (DID) Report</p> <p>Failure to comply with internal controls governing the job evaluation process.</p>	<p>Due to an issue regarding Directors' Pay detected in 2008/09 the DHSSPS commissioned the Delivery & Innovation Directorate within the Department of Finance and Personnel to undertake an independent review of NIFRS which examined its performance, fitness for purpose, relationship with the Department, role of the Chair and Board, Senior Management structures, Corporate Governance arrangements, Financial and Risk Management processes. While the DID Report reflected positively on NIFRS' performance as a Service, it made 87 recommendations for change covering a number of key areas.</p>	<p>A Working Group encompassing members of NIFRS Board and Executive Team working with the DHSSPS was established to take these recommendations forward. This Working Group has now been disbanded - outstanding recommendations are now monitored via the integrated planning process and are being monitored by PSU.</p>	<p>Ongoing - at 31 March 2015 eight DID recommendations remain outstanding. Internally outstanding recommendations are monitored by the Audit, Risk & Governance Committee.</p>
2011-12	<p>Internal Controls within NIFRS Stores</p> <p>Potential to undermine controls over stock held in NIFRS Stores and/or exploit contractor relationships for personal gain.</p>	<p>Allegation that previous Store Manager had failed to declare a personal business linked to his NIFRS role.</p>	<p>The alleged Internal Control issues within Stores were deemed to be largely substantiated although related to previous management regimes within the Stores function. DHSSPS Internal Audit cited that there had been recent improvements in this area aligned to NIFRS Internal Audit reports and made three recommendations – annual Declaration of Interests for all staff, full implementation of Internal Audit Recommendations made in August 2011 and full year end stock counts in large value stores.</p>	<p>Complete and Closed - Stock control processes reviewed and updated in line with recommendations made and the stock system and interfaces examined. Weekly sample stock checks were implemented during 2014-15. Work was completed in respect of completion of an annual Declaration of Interests for all key staff, including Stores, and a database is now in place. (The Stores Management Audit 2014-15 incorporated a review of this internal control issue and anticipated remedial action, and whilst limited assurance was provided and the conflicts of interest issue re-reported, this was a timing issue. The revised Conflicts of Interest Process was fully established by 31 March 2015 and BSO confirmed that this recommendation was completed within the year-end recommendation verification exercise).</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2011-12	GD92 – Replacement Station Mobilising and Communications System	Failure to comply with statutory requirements due to systems failure.	<p>The current NIFRS GD92 Communication and Mobilising System was installed in 1998. The main function of the System is to process and deliver instructions to Fire Stations and Officers from a centralised Command and Control Mobilising System to mobilise or 'turn out' the appropriate resources. This system is based on the Home Office 'GD92' specification (Government Directive 1992), as written for use by all United Kingdom Fire and Rescue Services and is the recommended method for Fire Service mobilising. The current GD92 Communication and Mobilising System is aged and parts and replacements are difficult to source. The equipment is also proving difficult to maintain and repair and there have been some recent Business Continuity events. Such events have exposed the operational limitations and have indicated the end of the useful life of this GD92 Communications and Mobilising System. A Full Business Case, approved by DHSSPS on 24 February 2012, justifies the urgent need for a replacement GD92 Communications and Mobilising System.</p>	<p>Business Continuity protocols have been established to mitigate as far as possible the risk of systems failure.</p> <p>Complete and Closed – Roll-out of the new GD92 solution is complete.</p>
2013-14	Estates	Issues have been identified in terms of performance, capacity and capability.	<p>A full Estates survey and review is to be initiated to determine a future direction of travel. In the interim an intensified management and support programme has been put in place. These issues have already been flagged with CMT, the Board and Public Safety Unit (PSU).</p>	<p>Ongoing - A review of the Estate and Capital Projects function is ongoing. Estates Survey reported in 2014-15 with an Asset/Facilities Management Strategy to be in place by September 2015. Estates function will form part of structural review of Directorate due to be completed in December 2015.</p> <p>(The Estates Management Audit 2014-15 incorporated a review of these internal control issues and anticipated remedial actions. Limited assurance was provided in this area).</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>The revised Information Governance Controls Assurance Standard issued in July 2013 requires NIFRS to establish a baseline position using the Controls Assurance Standard as a base. It is expected that this will result in limited or no assurance.</p>	<p>NIFRS has not been able to access systems developed by DHSSPS centrally to assist in information management and must therefore operate in isolation to put in place a solution. This will necessitate significant resource investment (staff and systems) over the next few years.</p>	<p>A Working Group is to be established to address these issues but will need interim Project Manager support.</p>	<p>Ongoing - Information Governance will form part of the structural review of the Planning, Performance & Governance Directorate due to be completed December 2015. In the interim, the Information Management and Governance Working Group has been tasked with carrying out an information audit, determining action plans to address existing information gaps, reviewing policies, reviewing records management systems development and training.</p> <p>A number of Strategy/Policy documents including:</p> <ul style="list-style-type: none"> ▪ Information Governance Framework; ▪ Information Governance Strategy & Policy; ▪ Data Quality Policy; and ▪ Data Sharing Protocol; <p>were implemented in February 2015 to underpin the Information Governance agenda.</p> <p>An Information Audit process is currently being piloted within the Planning, Performance and Governance Directorate.</p> <p>(The Information Governance Audit 2014-15 incorporated a review of this internal control issue and anticipated remedial action. Limited assurance was provided in this area).</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Logistics Support Centre</p> <p>The condition of the existing premises at HQ were assessed by VB Evans in their 2008 Stock Condition Report as not being fit for purpose. This view was echoed within the Health Estates "Maintaining Existing Services" Annual Report which also identified the building as a risk. Specific Health & Safety concerns were raised with respect to asbestos and the fact that the bays are not long enough to accommodate newer appliances meaning Technicians need to operate with the doors open and outside of the Workshop at certain times.</p>	<p>Ageing Estates infrastructure and buildings have resulted in safety concerns due to the condition of the existing HQ premises.</p>	<p>There is a need to progress this urgently due to the condition of the existing premises at HQ.</p>	<p>Ongoing - Following Business Case approval, the development of the Logistics Support Centre moved into the planning stage during 2014-15.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	Performance Management	Lack of historical investment and prioritisation has resulted in a gap.	No formal performance management structures or systems have been established within NIFRS.	<p>Ongoing - Interim Business Performance Unit established subject to a restructuring exercise within the Planning, Performance & Governance Directorate to be completed by December 2015.</p> <p>The 2014-15 Corporate Business Plan developed and approved by NIFRS Board in January 2014 incorporates a comprehensive Risk Assessment process, outstanding recommendations from external and internal reviews and Key and Local Performance Measures. Related Area and Functional Business Plans replicated these linkages.</p> <p>NIFRS' Business Performance Management process revised in line with DHSSPS/Accountability timelines.</p> <p>Corporate Planning & Performance Management Framework currently under development.</p> <p>(The Performance Management Audit 2014-15 incorporated a review of these internal control issues and anticipated remedial actions. Satisfactory assurance was provided in this area).</p>
2013-14	Risk Management	Processes need to be reviewed to ensure the accuracy and validity of risk information going forward.	A review will be carried out aimed at streamlining NIFRS' approach to risk management.	<p>Ongoing – Risk Management processes and linkages to the Corporate Planning process examined and strengthened. New Assurance Framework and revised Corporate Risk Management Strategy/Policy/Procedure implemented in February 2015. Internal Audit carried out an audit in 2014-15 which identified further improvements.</p> <p>(The Risk Management Audit 2014-15 incorporated a review of these internal control issues and anticipated remedial actions. Satisfactory assurance was provided in this area).</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	Occupational Health Provision	Delay in establishing the appropriate procurement route.	NIFRS will liaise with DHSSPS regarding a solution going forward.	<p>Ongoing - A new business case has been prepared, is currently under consideration and subject to approval. Procurement of an OHS service provider is scheduled to take place in the second half of 2015.</p>
2013-14	Supplier Insolvency	Warranty Issues - In terms of bodywork defects, NIFRS will look at a range of internal or external solutions, however both options are likely to increase costs. Whilst some warranty matters, e.g. chassis and engine may avail of original manufacturer's warranty there is likely to be an additional financial impact for NIFRS. New Appliance/PODs – options going forward need to be reassessed.	NIFRS will liaise with DHSSPS regarding a solution going forward.	<p>Complete and Closed - WRLs – NIFRS has now awarded the contract to the second place supplier Emergency One (UK) Ltd and an order was placed for 9 x WRLs. These appliances have all been received. During 2014-15 NIFRS awarded a contract for the provision of appliances following a competitive tendering exercise. BA PODs – NIFRS has now awarded the contract to the second place supplier and 6 x PODs were delivered during 2014-15. Warranty issues – all third party suppliers have agreed to honour the warranties on existing vehicles. This mitigates some of the risk involved. NIFRS will however need to cover the labour costs incurred in fitting any warranty part. Bodywork – any bodywork issues arising will be managed on a one-by-one basis and it is hoped the majority can be managed in-house. Historically issues with bodywork are minimal.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Community Safety College</p> <p>Failings in the Design Team have led to a potential cost overrun and the subsequent need to reduce the overall cost of the project.</p>	<p>As a result the preferred bidder identified by the procurement process has not yet been appointed, leading to a delay in the programme and uncertainty about design.</p>	<p>NIFRS will continue to work with its partners to progress this issue.</p>	<p>Ongoing - On 3 December 2013, the Justice and Health Ministers announced approval of the business case for the Northern Ireland Community Safety College. Following an EU-wide procurement process, the FGP Consortium was appointed preferred bidder, however issues with respect to cost came to light in Spring 2014. As a result, all partners are currently reviewing training needs and a new Business Case is to be generated.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Charity Vehicles</p> <p>Previous arrangements in respect of charity vehicles may result in a loss situation.</p>	<p>Arrangements for the support of charity vehicles were approved by previous CMT members.</p>	<p>The SOS Buses were located at Glengormley Fire Station until March 2013. In 2012-13 the vehicles were fuelled at NIFRS premises at a cost of £1,725.96 (£7,770.24 in 2011-12 & £7,793.04 in 2010-11). NIFRS is currently seeking approval for these payments or write-offs through the appropriate mechanisms.</p> <p>The FESS vehicles were not provided with mechanical servicing (parts/labour) or fuel in the current financial year (£1,434 in 2012-13 and £3,232 in 2011-12). In previous financial years, prior to 2011-12, NIFRS has established, from its electronic records that it spent £5,605 in respect of mechanical servicing and provision of fuel for the FESS vehicles. NIFRS is currently seeking approval for this expenditure through the appropriate Departmental mechanisms. The vehicles also had access to a charging facility for battery recharging purposes and washing facilities. The expenditure associated with these facilities are not disclosed as they cannot be established in respect of the FESS vehicles, but are estimated to be less than £2,000 in total.</p> <p>An Action Cancer Charity Vehicle is located at Lisburn Fire Station but has not been fuelled by NIFRS.</p>	<p>Complete & Closed - The SOS vehicles no longer use NIFRS facilities.</p> <p>These vehicles continue to make use of parking facilities, vehicle charging points, washing facilities and security at NIFRS locations. Their operation is regulated by a Memorandum of Understanding between the Red Cross and NIFRS.</p> <p>The arrangement whereby the Action Cancer Charity Vehicle makes use of parking facilities, vehicle charging points, washing facilities and security within the Station has now ceased.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Policy Update</p> <p>Review and update of key NIFRS policies has been noted not to be timely.</p>	<p>Established management and audit review processes identified issues with the update and maintenance of key organisational policies.</p>	<p>During 2014-15 a full review of key policies will be undertaken.</p>	<p>Ongoing - during 2015-16 a full review of key policies will be undertaken.</p> <p>(The Governance Audit 2014-15 incorporated a review of these internal control issues and anticipated remedial actions. Limited assurance was provided in this area).</p>

Current Year Issues

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2014-15	Inventory Management Issues with existing inventory management systems and processes noted.	During an Inventory Management Audit 2013-14 significant control weaknesses were noted and recommendations for improvement made.	An Inventory Management Working Group is to be established to review the process including methods of data capture, recording protocols, checking processes, acquisitions/disposals/movements. Once this Group is established a PID will be developed and work will commence.	Ongoing – Initial indications are that this is a medium-term project which will take 3-5 years to complete as it includes the research and purchase of new technology.
2014-15	ICT Issues with existing business and operational ICT systems.	An independent Technical Review was carried out by BSO IT Department and the resultant report received in October 2014 highlights a number of de-supported and end of life systems.	An exercise will be carried out to prioritise recommendations made with the BSO IT Technical Report and to determine a plan going forward.	Ongoing – Initial indications are that this is a longer term project which includes the research and purchase of new technology subject to necessary funding being made available. (The IT Governance Audit 201415 incorporated a review of these internal control issues and anticipated remedial actions. Limited assurance was provided in this area).
2014-15	Accommodation Leases Removed delegated authority with respect to office accommodation leases.	PEL(14) issued in August 2014 removed NIFRS' delegated limit for office accommodation leases and required that NIFRS produce Strategic Outline Business Cases (SOC) for approval by DFP in order to continue leasing office accommodation. This requirement was implemented mid-year.	Acknowledging that PEL(14) removed NIFRS' delegated limit for office accommodation leases, we require approval from DFP through DHSSPS for an extension of the office leases whilst we work towards facilitating relocation within NIFRS owned properties by 31 March 2016.	Ongoing - NIFRS currently occupies leased office premises in a number of locations. The leases on three properties have now expired but the premises remain critical to our operational needs, as the personnel located within the premises support our continued compliance with statutory requirements. NIFRS is currently developing Strategic Outline Cases (SOC) for these premises.

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2014-15	Procurement	NIFRS needs to review and integrate procurement activity with its CoPE whilst mitigating risk.	Following the establishment of an interim CoPE with BSO PaLS and a limited internal audit assurance in this area during 2014-15 a Procurement Review was initiated looking at future service delivery.	<p>Ongoing – A Procurement Review Report outlining options for future service delivery has been received and is currently under consideration by CMT in consultation with affected staff.</p> <p>NIFRS will work with Representative Bodies and DHSSPS/DoJ in determining and implementing any proposed change to procurement service delivery.</p> <p>(The Procurement & Contract Management Audit 2014-15 incorporated a review of these internal control issues and anticipated remedial actions. Limited assurance was provided in this area).</p>
2014-15	Pensions	Future service provision.	Since December 2014, the Pension Software was withdrawn by the software provider and all calculations are now being performed manually. The Pensions Manager, who was the only substantive employee in the Pensions Department, left NIFRS at the end of February 2015 and no replacement has been appointed.	<p>Ongoing – NIFRS is liaising with BSO regarding future service provision in this area. A Service Level Agreement is currently being drafted.</p> <p>NIFRS will work with DHSSPS/DoJ in determining and implementing any proposed change to pension service delivery given the software issues noted.</p> <p>(The Pensions Audit 2014-15 highlighted these internal control issues. Whilst overall satisfactory assurance was provided, limited assurance was given in respect of future service delivery).</p>

11. Conclusion

NIFRS has a rigorous system of accountability which I rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI.

Further to the limited assurance provided by the Head of Internal Audit and issues detected in the Controls Assurance process, I have considered these weaknesses against established controls and mitigations, and sought assurance from CMT that action plans are in place to manage internal control issues detected and to improve internal controls going forward.

I likewise acknowledge that whilst the Head of Internal Audit provided overall limited assurance, individually the financial audits carried out during the year achieved satisfactory assurance and no significant control issues were identified in these areas.

With this in mind and after considering the accountability framework within NIFRS, I am content that NIFRS has operated a sound system of internal governance during the period 2014-15.

Accounting Officer: _____ Date: _____

NORTHERN IRELAND FIRE AND RESCUE SERVICE

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

I certify that I have audited the financial statements of Northern Ireland Fire and Rescue Service for the year ended 31 March 2015 under the Fire and Rescue Services (Northern Ireland) Order 2006. 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 Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officers 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. My responsibility is to audit, certify and report on the financial statements in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Fire and Rescue Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Fire and Rescue Service; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Fire and Rescue Service's affairs as at 31 March 2015 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health, Social Services and Public Safety directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Health, Social Services and Public Safety directions made under the Fire and Rescue Services (Northern Ireland) Order 2006; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

Whilst I acknowledge progress in recent years, I am concerned by the number of limited internal audit opinions and priority one issues set out in the governance statement from page 58 to page 98. I will monitor the resolution of these issues as well as examining the implementation of the recommendations made by the Public Accounts Committee in previous years and may report further if necessary.

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

28 July 2015

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2015

		2015			2014		
	NOTE	Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
Expenditure							
Staff costs	3.1	(60,086)	-	(60,086)	(61,629)	-	(61,629)
Depreciation	4.1	(5,530)	-	(5,530)	(4,907)	-	(4,907)
Other expenditure	4.1	22,424	(1,973)	20,451	(25,222)	-	(25,222)
Pension cost	9.0	-	(22,210)	(22,210)	-	(19,340)	(19,340)
Transfers in	11.0	-	(568)	(568)	-	(506)	(506)
Interest on scheme liabilities	13/25	(375)	(28,030)	(28,405)	(487)	(22,730)	(23,217)
		(43,567)	(52,781)	(96,348)	(92,245)	(42,576)	(134,821)
Income							
Contributions receivable	6.0	-	12,608	12,608	-	11,819	11,819
Transfers in	7.0	-	568	568	-	506	506
Other operating income	5.3	542	-	542	488	-	488
		542	13,176	13,718	488	12,325	12,813
Net Expenditure before tax and after interest		(43,025)	(39,605)	(82,630)	(91,757)	(30,251)	(122,008)
Corporation tax	38.0	576	-	576	(604)	-	(604)
Net Expenditure after tax and interest		(42,449)	(39,605)	(82,054)	(92,361)	(30,251)	(122,612)
Revenue Resource Limit (RRL)	35.1	42,485	-	42,485	92,520	-	92,520
Surplus/(deficit) against RRL	35.3	36	(39,605)	(39,569)	159	(30,251)	(30,092)
OTHER COMPREHENSIVE EXPENDITURE							
Items that will not be classified to net operating costs:							
Net gain/(loss) on revaluation of property, plant and equipment	14.1/14.2	922	-	922	593	-	593
Pension remeasurements	25/26	(2,158)	(21,900)	(24,058)	2,940	(62,660)	(59,720)
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2015		(43,685)	(61,505)	(105,190)	(88,828)	(92,911)	(181,739)

The notes on pages 105 to 146 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	2015	2014	
	Operating £'000	Pension £'000	Total £'000
Non Current Assets			
Property, plant and equipment	87,571	-	87,571
Intangible assets	630	-	630
Total Non Current Assets	88,201	-	88,201
Current Assets			
Assets classified as held for sale	170	-	170
Inventories	996	-	996
Trade and other receivables	1,391	-	1,391
Other current assets	310	2,181	2,491
Cash and cash equivalents	-	2	2
Total Current Assets	2,867	2,183	5,050
Total Assets	91,068	2,183	93,251
Current Liabilities			
Trade and other payables	(5,897)	(229)	(6,126)
Cash and cash equivalents	(748)	-	(748)
Provisions (Insurance)	(1,282)	-	(1,282)
Provisions (Compensation Scheme)	(2,970)	-	(2,970)
Provisions (Revised Comm Factors)	-	(1,973)	(1,973)
Total Current Liabilities	(10,897)	(2,202)	(13,099)
Non Current Assets plus/less Net Current Assets/Liabilities	80,171	(19)	80,152
Non Current Liabilities			
Provisions (Compensation Scheme)	(63,701)	-	(63,701)
Pension liabilities - NILGOSC	(12,175)	-	(12,175)
Pension liabilities - Firefighters	-	(696,833)	(696,833)
Total Non Current Liabilities	(75,876)	(696,833)	(772,709)
Assets less Liabilities	4,295	(696,852)	(692,557)
Taxpayers' Equity			
Revaluation reserve	6,755	-	6,755
SoCNE reserve	(2,460)	(696,852)	(699,312)
	4,295	(696,852)	(692,557)
	83,435	-	83,435
	921	-	921
	84,356	-	84,356
	2,918	1,774	4,692
	87,274	1,774	89,048
	(8,559)	(337)	(8,896)
	(482)	-	(482)
	(1,507)	-	(1,507)
	(3,276)	-	(3,276)
	(13,824)	(337)	(14,161)
	73,450	1,437	74,887
	(99,018)	-	(99,018)
	(9,349)	-	(9,349)
	-	(641,309)	(641,309)
	(108,367)	(641,309)	(749,676)
	(34,917)	(639,872)	(674,789)
	5,876	-	5,876
	(40,793)	(639,872)	(680,665)
	(34,917)	(639,872)	(674,789)

The notes on pages 105 to 146 form part of these accounts

The Accounts on pages 101 to 146 were approved by the Board on 30 June 2015 and were signed on its behalf by:

Signed _____ (Chairman) Date _____

Signed _____ (Chief Executive) Date _____

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	2015 Operating £'000	2015 Pension £'000	Total £'000	2014 Operating £'000	2014 Pension £'000	Total £'000
Cashflows from operating activities							
Net expenditure after interest and tax		(42,449)	(39,605)	(82,054)	(92,361)	(30,251)	(122,612)
Adjustments for non cash costs	4	3,029	-	3,029	2,232	-	2,232
(Increase)/decrease in trade & other receivables	20	227	(425)	(198)	(917)	(63)	(980)
Increase in inventories	19	(6)	-	(6)	(61)	-	(61)
Increase/(decrease) in trade payables	22	(2,662)	(108)	(2,770)	3,154	(592)	2,562
Use of provisions:							
Increase in pension provision - Firefighters' Pension Scheme	26	-	55,524	55,524	-	89,391	89,391
Increase/(decrease) in pension provision - NILGOSC	25	2,827	-	2,827	(2,076)	-	(2,076)
Increase/(decrease) in provision - insurance	24	(225)	-	(225)	563	-	563
Increase/(decrease) in provision - compensation	24	(35,623)	-	(35,623)	11,008	-	11,008
Increase/(decrease) in provision - commutation factors	24	-	1,973	1,973	-	-	-
Pension remeasurements	25/26	(2,158)	(21,900)	(24,058)	2,940	(62,660)	(59,720)
Net cash outflow from operating activities		(77,040)	(4,541)	(81,581)	(75,518)	(4,175)	(79,693)
Cashflows from investing activities							
Purchase of property, plant & equipment	14.1/14.2	(6,173)	-	(6,173)	(8,442)	-	(8,442)
Purchase of intangible assets	15.1/15.2	-	-	-	(64)	-	(64)
Proceeds on disposal of property, plant & equipment		50	-	50	82	-	82
Net cash outflow from investing activities		(6,123)	-	(6,123)	(8,424)	-	(8,424)
Cash flows from financing activities							
Grant in aid		82,897	4,525	87,422	83,427	4,193	87,620
Net financing		82,897	4,525	87,422	83,427	4,193	87,620
Net (decrease)/increase in cash & cash equivalents in the year		(266)	(16)	(282)	(515)	18	(497)
Cash & cash equivalents at the beginning of the year	21	(482)	18	(464)	33	-	33
Cash & cash equivalents at the end of the year		(748)	2	(746)	(482)	18	(464)

The notes on pages 105 to 146 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015

Analysed as follows:

NOTE	SoCNE Reserve £'000	Revaluation Reserve £'000	Total £'000	Operating Account		Firefighters Pension Account		Total £'000
				Total £'000	Total £'000	Total £'000	Total £'000	
Balance at 31 March 2013	(585,991)	5,321	(580,670)	(29,516)	(551,154)			(580,670)
Changes in taxpayers' equity 2013-14								
Grant from DHSSPS	87,620	-	87,620	83,427	4,193			87,620
Transfer between reserves	38	(38)	-	-	-			-
Comprehensive expenditure for the year - Operating	(92,401)	593	(91,808)	(91,808)	-			(91,808)
Comprehensive expenditure for the year - Pension	(30,251)	-	(30,251)	-	(30,251)			(30,251)
Remeasurements - NILGOSC	2,940	-	2,940	2,940	-			2,940
Remeasurements - Firefighters' Pension Scheme	(62,660)	-	(62,660)	-	(62,660)			(62,660)
Non cash charges - auditors remuneration	40	-	40	40	-			40
Balance as 31 March 2014	(680,665)	5,876	(674,789)	(34,917)	(639,872)			(674,789)
Changes in taxpayers' equity 2014-15								
Grant from DHSSPS	87,422	-	87,422	82,897	4,525			87,422
Transfer between reserves	43	(43)	-	-	-			-
Comprehensive expenditure for the year - Operating	(42,411)	922	(41,489)	(41,489)	-			(41,489)
Comprehensive expenditure for the year - Pension	(39,605)	-	(39,605)	-	(39,605)			(39,605)
Remeasurements - NILGOSC	(2,158)	-	(2,158)	(2,158)	-			(2,158)
Remeasurements - Firefighters' Pension Scheme	(21,900)	-	(21,900)	-	(21,900)			(21,900)
Non cash charges - auditors remuneration	(38)	-	(38)	(38)	-			(38)
Balance at 31 March 2015	(699,312)	6,755	(692,557)	4,295	(696,852)			(692,557)

The notes on pages 105 to 146 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

1.0 Authority

The Accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety (DHSSPS) based on guidance from the Department of Finance and Personnel's (DFP's) Government Financial Reporting Manual (FReM) and in accordance with the requirements of Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to NIFRS. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of NIFRS for the purpose of giving a true and fair view has been selected. NIFRS accounting policies have been applied consistently in dealing with items considered material in relation to the Accounts, unless otherwise stated.

Certain comparative amounts have been restated to enable comparability.

1.1 Accounting Convention

The Accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Currency & Rounding

The Accounts are presented in UK Pounds Sterling, rounded to the nearest £1,000.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings and Assets under Construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to NIFRS;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, or project, irrespective of their individual or collective cost.

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

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation - Professional Standards in so far as they are consistent with the specific needs of NIFRS.

The last valuation was carried out on 31 January 2013, by Land and Property Services (LPS) which is part of the Department of Finance and Personnel. The valuers are qualified to meet the 'Member of Royal Institution of Chartered Surveyors' (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every 5 year period and are revalued annually, between professional valuations, using indices provided by LPS.

During 2014-15 the new Omagh Community Fire Station was completed and revalued on 1 October 2014 by LPS.

NIFRS is of the view that there is a material difference between the market and book value of its land and buildings. This is because the valuation of its fire stations shown in the Annual Accounts is on the basis of depreciated replacement cost. The price that could be achieved if the premises were sold on the open market is approximately 41% of the existing depreciated replacement cost which is shown in the Statement of Financial Position.

Land and buildings used for NIFRS services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- land and non-specialised buildings – open market value for existing use;
- specialised buildings – depreciated replacement cost;
- properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non current assets.

Modern Equivalent Asset

DFP has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land & Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where the estimated life of fixtures and equipment exceeds 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4 Depreciation and Amortisation

No depreciation is provided on freehold land since land has an unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale“ are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which NIFRS expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

The following asset lives have been used:

Asset Type	Asset Life Years
Freehold Buildings	25 - 60 years
Furniture & Fittings	5 - 20 years
Plant & Machinery	5 - 20 years
IT Assets	3 - 7
Cars & Vans	5
Water Tenders	12
Special/Aerial Appliances	15

1.5 Impairment Loss

If there has been an impairment loss due to a general change in price, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the Revaluation Reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and, thereafter, to the Revaluation Reserve.

1.6 Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to operating expenses.

The overall useful lives of NIFRS buildings take account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7 Intangible Assets

Intangible assets include software, licences, trademarks, websites, development expenditure, patents, goodwill and intangible assets under construction.

Software that is integral to the operating of hardware, for example, an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example, application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of NIFRS business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, NIFRS; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at cost.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists amortised replacement cost has been used as fair value.

1.8 Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within 1 year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses. Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non-depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating asset is shown within operating expenses. On disposal, the balance for the asset on the Revaluation Reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.10 Income

Operating income relates directly to the operating activities of NIFRS and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Grant in Aid

Funding received from other entities, including the DHSSPS, is accounted for as grant-in-aid and is reflected through the Statement of Changes in Taxpayers' Equity.

1.11 Investments

NIFRS does not have any investments.

1.12 Other Expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.13 Cash and Cash Equivalents

Cash includes cash-in-hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

NIFRS as Lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated.

NIFRS as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Private Finance Initiative (PFI) Transactions

NIFRS had no PFI transactions during the year.

1.16 Financial Instruments

Financial Assets

Financial assets are recognised on the Statement of Financial Position when NIFRS becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial Liabilities

Financial liabilities are recognised on the Statement of Financial Position when NIFRS becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the manner in which it is funded, financial instruments play a more limited role within NIFRS in creating risk than would apply to a non public sector body of a similar size, therefore NIFRS is not exposed to the same degree of financial risk faced by business entities. NIFRS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing NIFRS in undertaking activities. As a result, NIFRS is exposed to little credit, liquidity or market risk.

Currency Risk

NIFRS is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. NIFRS has no overseas operations. NIFRS therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

NIFRS has no powers to borrow and limited powers to invest and therefore has low exposure to interest rate fluctuations.

Credit Risk

As the majority of NIFRS income comes from contracts with other public sector bodies, NIFRS has low exposure to credit risk.

Liquidity Risk

As NIFRS receives the majority of its funding through the DHSSPS which is voted through the Assembly, it is not exposed to significant liquidity risks.

1.17 Provisions

In accordance with IAS 37, provisions are recognised when:

- (a) NIFRS has a present legal or constructive obligation as a result of a past event;
- (b) it is probable that NIFRS will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using DFP's discount rate of -1.50% (negative real rate) for 0 up to and including 5 years, -1.05% (negative real rate) after 5 years and up to 10 years and +2.20% in real terms for more than 10 years.

NIFRS has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period, increases in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of a receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where NIFRS has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when NIFRS has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.18 Contingencies

Under IAS 37, NIFRS discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NIFRS; or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NIFRS. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.19 Employee Benefits

Short-Term Employee Benefits

Under the requirements of IAS 19 (Employee Benefits), 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 that has been earned at the year end. For NIFRS Administrative staff the carryover of annual leave has been accrued based on actual calculations. For the Wholetime and Regional Control Centre staff the option to carry forward leave is under exceptional circumstances only and requires the approval of the Chief Fire Officer. As such there is no material annual leave accrual at 31 March 2015. Untaken flexi leave is estimated to be immaterial and has therefore not been provided for in these Accounts.

Retirement Benefit Costs

Firefighters' Pension Schemes

As at 31 March 2015 NIFRS operated two Firefighters' Pension Schemes, namely:

- The Firefighters' Pension Scheme (NI) 2006;
- The New Firefighters' Pension Scheme (NI) 2006.

On 1 April 2015 two new Schemes came into operation, namely:

- The New Firefighters' Pension Scheme (Amendment) 2015;
- The Firefighters' Pension Scheme (NI) 2015.

These schemes are governed by the provisions of The Firefighters' Pension Scheme Order (Northern Ireland) 2007, The New Firefighters' Pension Scheme Order (Northern Ireland) 2007, The New Firefighters' Pension Scheme (Amendment) Order (Northern Ireland) 2015 and The Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 respectively.

The schemes are all final salary schemes with the exception of The Firefighters' Pension Scheme (NI) 2015 which is a career average scheme. The schemes are wholly unfunded. The IAS 19 pension liability in respect of the Firefighters' Pension Schemes is calculated annually by the Government Actuary's Department using the projected unit credit method and applying a discount rate selected with reference to the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities (21 and 28 years).

The DHSSPS currently funds the Firefighters' pension deficit. The employer and employee contribution rates for the 4 Pension Schemes are as set out in the table below:

SCHEME	ERS RATE 2014/2015	ERS RATE 2015/2016
The Firefighters' Pension Scheme (NI) 2006	21.3%	31.3%
The New Firefighters' Pension Scheme (NI) 2006	11.0%	18.1%
The New Firefighters' Pension Scheme (Amendment) 2015	-	31.3%
The Firefighters' Pension Scheme (NI) 2015 (CARE)	-	18.8%

The Firefighters' Pension Scheme (NI) 2006	EES RATE 2014/2015	EES RATE 2015/2016
Up to £15,150	11.0%	11.0%
£15,151 to £21,210	11.9%	12.2%
£21,211 to £30,300	12.9%	14.2%
£30,301 to £40,400	13.2%	14.7%
£40,401 to £50,500	13.5%	15.2%
£50,501 to £60,600	13.7%	15.5%
£60,601 to £101,000	14.1%	16.0%
£101,001 to £120,200	14.5%	16.5%
More than £120,201	15.0%	17.0%

The New Firefighters' Pension Scheme (NI) 2006	EES RATE 2014/2015	EES RATE 2015/2016
Up to £15,150	8.5%	8.5%
£15,151 to £21,210	9.1%	9.4%
£21,211 to £30,300	9.6%	10.4%
£30,301 to £40,400	9.9%	10.9%
£40,401 to £50,500	10.1%	11.2%
£50,501 to £60,600	10.2%	11.3%
£60,601 to £101,000	10.5%	11.7%
£101,001 to £120,200	10.8%	12.1%
More than £120,201	11.1%	12.5%

The New Firefighters' Pension Scheme (Amendment) 2015	EES RATE 2014/2015	EES RATE 2015/2016
Up to £15,150	-	11.0%
£15,151 to £21,210	-	12.2%
£21,211 to £30,300	-	14.2%
£30,301 to £40,400	-	14.7%
£40,401 to £50,500	-	15.2%
£50,501 to £60,600	-	15.5%
£60,601 to £101,000	-	16.0%
£101,001 to £120,200	-	16.5%
More than £120,201	-	17.0%

The Firefighters' Pension Scheme (NI) 2015 (CARE)	EES RATE 2014/2015	EES RATE 2015/2016
Up to £27,000	-	10.0%
£27,001 to £50,000	-	12.2%
£50,001 to £142,500	-	13.5%
More than £142,501	-	14.5%

In addition, NIFRS makes one off payments in respect of ill-health retirements which effectively increase the employers' contributions.

SCHEME	ERS RATE inc ill health 2014/2015	ERS RATE inc ill health 2015/2016
The Firefighters' Pension Scheme (NI) 2006	26.5%	34.6%
The New Firefighters' Pension Scheme (NI) 2006	14.2%	23.3%
The New Firefighters' Pension Scheme (Amendment) 2015	-	34.6%
The Firefighters' Pension Scheme (NI) 2015 (CARE)	-	19.8%

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding 4 years. A full actuarial valuation was carried out at 31 March 2012 in relation to both The Firefighters' Pension Scheme (NI) 2006 and The New Firefighters' Pension Scheme (NI) 2006, results of which were rolled forward to provide an IAS 19 valuation for accounts purposes at 31 March 2015.

The charge to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost^[1], the Past Service Cost^[2] and Interest on the defined benefit liability^[3].

Remeasurements^[4] are recognised in Other Comprehensive Expenditure.

The liabilities under the Schemes have been valued using the standard actuarial technique known as the Projected Unit Method for all groups of staff.

Compensation Scheme

NIFRS also operates a Compensation Scheme under The Firefighters' Compensation Scheme Order (Northern Ireland) 2007. This Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted during their course of duty.

The Compensation Scheme is valued on an actuarial basis and accounted for in accordance with IAS 19 with remeasurements due to changes in assumptions recognised in other expenditure.

[1] Current Service Cost is the increase in the present value of the scheme liabilities expected to arise from employee service in the current period.

[2] Past Service Cost is the change in the present value of defined benefit obligations caused by employee service in prior periods. This cost arises from changes in post-employment benefits or other long-term employee benefits.

[3] Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time.

[4] Remeasurements of the defined benefit liability comprise: experience gains and losses arising on pension liability, changes in take-up rate assumptions, changes in financial and demographic assumptions underlying the present value of the pension liabilities.

NI Local Government Officers' Superannuation Committee Scheme (NILGOSC)

NIFRS also participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) for the majority of its Non-Uniformed and Regional Control Centre staff.

This is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (NI) 2002, as amended and funded by contributions from employees and employers who have been admitted to the Scheme.

Employee contribution rates were fixed from April 2009 depending on the individual's pensionable remuneration. These contribution bands increased from 1 April 2014 and the revised bands are set out in the table below:

"FYE Pay 1 April 2014"	Contribution Rate 2014/2015	Contribution Rate 2015/2016
Up to £14,000	5.50%	5.50%
£14,001 to £21,300	5.80%	5.80%
£21,301 to £35,600	6.50%	6.50%
£35,601 to £43,000	6.80%	6.80%
£43,001 to £85,000	7.20%	8.50%
More than £85,000	7.50%	10.50%

Employer contribution rates are determined by the Scheme's actuary every 3 years and the 2014/15 rate was set at 20%. The rate for the 2015/16 financial year remains unchanged.

Full actuarial valuations in respect of the NILGOSC Scheme are obtained at least triennially and updated annually thereafter. The latest full valuation of this Scheme was completed as at 31 March 2013.

The IAS 19 pension liability in respect of the NILGOSC Scheme is calculated annually by AON Hewitt using the projected unit credit method and applying a discount rate selected with reference to the rate of return on high quality corporate bonds of a similar currency and duration to the scheme liabilities (20 years).

The charge to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost, Past Service Cost and Employer Contributions (included within operating costs), in addition to Interest Costs on the net defined benefit liability (included within Other Finance Income). Remeasurements are recognised in other comprehensive expenditure.

1.20 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets.

1.21 Value Added Tax

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

1.22 Third Party Assets

NIFRS does not hold assets belonging to third parties.

1.23 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for Northern Ireland Fire & Rescue Service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NIFRS not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.24 Government Grants

NIFRS is funded by grants from the DHSSPS and a cash based grant system is in operation. Under this system, amounts can be drawn down to finance payments made during the year which are properly chargeable against the grant. The grant-in-aid is taken directly to the Statement of Changes in Taxpayers' Equity.

Government assistance for capital projects whether from the UK, or Europe, are treated as a government grant even where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.

1.25 Taxation

NIFRS is liable to mainstream corporation tax, which is accounted for on an accruals basis.

1.26 Foreign Currency Transactions/Translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the Statement of Comprehensive Net Expenditure in the period in which they arise.

1.27 Accounting Estimates

In the preparation of the Annual Accounts, NIFRS makes certain accounting estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The most significant estimates and assumptions relevant to NIFRS are in respect of provisions. Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgments, including assumptions concerning the future. The timing of outflow of resources to settle these obligations is subject to the same uncertain factors.

1.28 New Standards and Interpretations

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office for National Statistics (ONS) control criteria, as designated by Treasury. A review of the NI financial process, which will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the Accounts in the period of initial application.

1.29 Events After the Reporting Date

There were no events after the reporting year end 31 March 2015. The Annual Accounts were authorised for issue on 30 June 2015 by NIFRS Chief Executive and Chairman.

NOTE 2 - ANALYSIS OF NET EXPENDITURE BY SEGMENT

Within NIFRS, the Board represents the Chief Operating Decision Maker function and holds monthly meetings where key operational decisions are made based on information that is not segmented.

The strategic objective and core business of NIFRS is the provision of firefighting, rescue and fire safety services therefore there is only one reportable operating segment evident.

NIFRS collate and present information based on internal reporting requirements. The Board reviews and makes decisions on the activity and performance of the organisation as a whole, to deliver firefighting services.

NOTE 3 - STAFF NUMBERS AND RELATED COSTS

3.1 Staff Costs

	2015			2014
	Permanently employed staff £'000	Other £'000	Total £'000	Total £'000
Wages & salaries	47,052	880	47,932	49,611
Social security costs	3,155	-	3,155	3,373
Other pension costs	8,999	-	8,999	8,645
Total staff costs reported in Statement of Comprehensive Net Expenditure	59,206	880	60,086	61,629

Staff costs exclude £23,202 charged to capital projects during the year (2014 : £NIL)

3.2 Average Number of Persons Employed

The average number of wholetime equivalent persons employed during the year was as follows:

	2015			2014
	Permanently employed staff No.	Other No.	Total No.	Total No.
Chairman	1	-	1	1
Board Members	10	-	10	10
Firefighters (Full-time)	900	-	900	909
Firefighters (Part-time)	969	-	969	954
RCC Personnel	49	-	49	52
Administrative/Manual Agency/Temporary	211	-	211	202
	-	40	40	52
Total average number of persons employed	2,140	40	2,180	2,180
Less average staff number relating to capitalised staff costs	-	-	-	-
Total net average number of persons employed	2,140	40	2,180	2,180

3.3 Senior Employees' Remuneration

Please refer to the Remuneration Report on page 45 of the Annual Report.

3.4 Reporting of Early Retirement and Other Compensation Scheme - Exit Packages

This note is not applicable to NIFRS.

3.5 Staff Benefits

	2015 £'000	2014 £'000
Staff Benefits	-	-
	-	-

3.6 Retirements due to Ill-Health

During 2014/15 there were 16 early retirements (2013/14: 20) from NIFRS agreed on the grounds of ill-health. The estimated additional pension liabilities, in respect of the two and four times pensionable pay relating to ill-health retirees was £587,051 (2013/14: £988,995). These costs are borne by the NIFRS Operating Account.

NOTE 4 - OPERATING EXPENSES

4.1 Operating Expenses:

	2015 £'000	2014 £'000
Communications equipment	1,151	1,141
Office equipment & running costs	775	703
Medical expenses, subsistence & other	356	430
Transport	1,277	1,193
Operational equipment & maintenance costs	850	805
Premises	4,163	3,954
Uniforms	506	1,214
Contract catering, kitchen equipment & maintenance	448	446
Rentals under operating leases	437	471
Training	1,196	1,085
Fire safety publicity	204	235
Auditor remuneration	38	40
Non audit services	111	2
Miscellaneous expenditure	627	710
Non cash items		
Depreciation	5,530	4,907
Amortisation	290	340
Impairments	(2,742)	(2,935)
Loss on disposal of property, plant & equipment (including land)	(49)	(80)
Pension costs - NILGOSC	294	377
Provisions provided for in year *	(34,806)	11,390
Cost of borrowing	4,423	3,701
Total	(14,921)	30,129

* £1,973k of provisions provided for in the year have been classified as pensions rather than operating expenditure (see note 24 for further details)

NOTE 5 - INCOME

5.1 Income from Activities

This note is not applicable to NIFRS.

5.2 Deferred Income

This note is not applicable to NIFRS.

5.3 Other Operating Income

	2015	2014
	£'000	£'000
Provision of fire cover - other bodies	112	68
Fire reports/certificates	16	18
Training courses	29	17
Trade Union Deduction Service	22	21
Loss Prevention Council	187	183
Insurance claims	58	19
Telephone calls	5	5
Other income	113	157
Total	542	488

FIREFIGHTERS' PENSION SCHEMES (EXCLUDING COMPENSATION SCHEME)

NOTE 6 - CONTRIBUTIONS RECEIVABLE	2015	2014
	£'000	£'000
Employer	6,579	6,460
Employer contributions - ill health retirements	1,154	991
Employee	4,875	4,368
	<u>12,608</u>	<u>11,819</u>

NOTE 7 - TRANSFERS IN	2015	2014
	£'000	£'000
Individual transfers in from other schemes	568	506
	<u>568</u>	<u>506</u>

NOTE 8 - OTHER PENSION INCOME

This note is not applicable to NIFRS.

NOTE 9 - PENSION COST	2015	2014
	£'000	£'000
Current service cost	22,210	19,340
	<u>22,210</u>	<u>19,340</u>

NOTE 10 - ENHANCEMENTS

This note is not applicable to NIFRS.

NOTE 11 - TRANSFERS IN - ADDITIONAL LIABILITY	2015	2014
	£'000	£'000
Individual transfers in from other schemes	568	506
	<u>568</u>	<u>506</u>

NOTE 12 - INJURY BENEFITS

This note is not applicable to NIFRS.

NOTE 13 - INTEREST ON SCHEME LIABILITIES	2015	2014
	£'000	£'000
Interest charge for the year	28,030	22,730
	<u>28,030</u>	<u>22,730</u>

NOTE 14 - PROPERTY, PLANT & EQUIPMENT

14.1 Property, Plant & Equipment - year ended 31 March 2015

	Land £'000	Buildings (excluding dwellings) £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation								
At 1 April 2014	10,799	45,746	7,083	9,700	33,424	1,558	350	108,660
Indexation	-	679	-	187	-	-	-	866
Additions	-	118	4,224	763	1,056	6	6	6,173
Transfers	(170)	3,788	(7,371)	1,343	1,652	-	-	(758)
Revaluation	224	-	-	-	-	-	-	224
Impairment charged to SoCNE	-	(323)	-	-	(14)	-	-	(337)
Reversal of impairments (indexation)	46	3,168	-	-	-	-	-	3,214
Disposals	-	(15)	-	(71)	(518)	(68)	(44)	(716)
At 31 March 2015	10,899	53,161	3,936	11,922	35,600	1,496	312	117,326
Depreciation								
At 1 April 2014	-	1,836	-	5,598	16,396	1,076	319	25,225
Indexation	-	62	-	106	-	-	-	168
Transfers	-	(246)	-	-	(341)	-	-	(587)
Revaluation	-	-	-	-	-	-	-	-
Impairment charged to SoCNE	-	(33)	-	-	(10)	-	-	(43)
Reversal of impairments (indexation)	-	178	-	-	-	-	-	178
Disposals	-	(15)	-	(71)	(518)	(68)	(44)	(716)
Provided during the year	-	1,532	-	941	2,908	134	15	5,530
At 31 March 2015	-	3,314	-	6,574	18,435	1,142	290	29,755
Carrying Amount								
At 31 March 2015	10,899	49,847	3,936	5,348	17,165	354	22	87,571
At 31 March 2014	10,799	43,910	7,083	4,102	17,028	482	31	83,435
Asset financing								
Owned	10,899	49,847	3,936	5,348	17,165	354	22	87,571
Carrying Amount								
At 31 March 2015	10,899	49,847	3,936	5,348	17,165	354	22	87,571

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £NIL (2014 : £NIL).

NOTE 14 - PROPERTY, PLANT & EQUIPMENT

14.2 Property, Plant & Equipment - year ended 31 March 2014

	Land £'000	Buildings (excluding dwellings) £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation								
At 1 April 2013	10,799	41,798	680	8,977	33,644	1,380	374	97,652
Indexation	-	524	-	217	-	(51)	6	696
Additions	-	296	6,434	506	942	264	-	8,442
Transfers	-	14	(31)	17	-	-	-	-
Impairment charged to SoCNE	-	-	-	-	(172)	(11)	-	(183)
Impairment charged to the Revaluation Reserve	-	-	-	-	-	(20)	-	(20)
Reversal of impairments (indexation)	-	3,114	-	-	-	-	-	3,114
Disposals	-	-	-	(17)	(990)	(4)	(30)	(1,041)
At 31 March 2014	10,799	45,746	7,083	9,700	33,424	1,558	350	108,660
Depreciation								
At 1 April 2013	-	374	-	4,610	14,929	1,039	326	21,278
Indexation	-	17	-	126	-	(51)	5	97
Impairment charged to SoCNE	-	-	-	-	(104)	(1)	-	(105)
Impairment charged to the Revaluation Reserve	-	-	-	-	-	(13)	-	(13)
Reversal of impairments (indexation)	-	101	-	-	-	-	-	101
Disposals	-	-	-	(17)	(989)	(4)	(30)	(1,040)
Provided during the year	-	1,344	-	879	2,560	106	18	4,907
At 31 March 2014	-	1,836	-	5,598	16,396	1,076	319	25,225
Carrying Amount								
At 31 March 2014	10,799	43,910	7,083	4,102	17,028	482	31	83,435
At 31 March 2013	10,799	41,424	680	4,367	18,715	341	48	76,374
Asset financing								
Owned	10,799	43,910	7,083	4,102	17,028	482	31	83,435
Carrying Amount								
At 31 March 2014	10,799	43,910	7,083	4,102	17,028	482	31	83,435

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £NIL (2013 : £NIL).

NOTE 15 - INTANGIBLE ASSETS

15.1 Intangible Assets - Year ended 31 March 2015

	Software Licenses £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or Valuation				
At 1 April 2014	546	1,960	-	2,506
Disposals	(118)	(98)	-	(216)
At 31 March 2015	428	1,862	-	2,290
Amortisation				
At 1 April 2014	253	1,332	-	1,585
Disposals	(118)	(97)	-	(215)
Provided during the year	87	203	-	290
At 31 March 2015	222	1,438	-	1,660
Carrying Amount				
At 31 March 2015	206	424	-	630
At 31 March 2014	293	628	-	921
Asset Financing				
Owned	206	424	-	630
Carrying Amount				
At 31 March 2015	206	424	-	630

15.2 Intangible Assets - Year ended 31 March 2014

	Software Licenses £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or Valuation				
At 1 April 2013	529	1,836	77	2,442
Additions	17	24	23	64
Transfers	-	100	(100)	-
At 31 March 2014	546	1,960	-	2,506
Amortisation				
At 1 April 2013	160	1,085	-	1,245
Provided during the year	93	247	-	340
At 31 March 2014	253	1,332	-	1,585
Carrying Amount				
At 31 March 2014	293	628	-	921
At 31 March 2013	369	751	77	1,197
Asset Financing				
Owned	293	628	-	921
Carrying Amount				
At 31 March 2014	293	628	-	921

NOTE 16 - FINANCIAL INSTRUMENTS

Due to the relationship with the DHSSPS, and the manner in which NIFRS is funded, financial instruments play a more limited role within the organisation in creating risk than would apply to a non-public body of a similar size. NIFRS is therefore not exposed to the same degree of financial risk faced by business entities. NIFRS has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NIFRS in undertaking activities. NIFRS is therefore exposed to little credit, liquidity or market risk.

NIFRS did not have any financial instruments at either 31 March 2015 or 31 March 2014.

NOTE 17 - ASSETS CLASSIFIED AS HELD FOR SALE

Cost	Land		Buildings		Vehicles		Total	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At 1 April	-	-	-	-	-	-	-	-
Transfers in	170	-	246	-	342	-	758	-
Disposals	-	-	-	-	(1)	-	(1)	-
At 31 March	170	-	246	-	341	-	757	-
Depreciation								
At 1 April	-	-	-	-	-	-	-	-
Transfers in	-	-	246	-	341	-	587	-
Disposals	-	-	-	-	-	-	-	-
At 31 March	-	-	246	-	341	-	587	-
Carrying amount								
At 31 March 2015	170	-	-	-	-	-	170	-
At 31 March 2014	-	-	-	-	-	-	-	-

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.

At the 2014/15 year end NIFRS held for sale: 10 vehicles which were at the end of their useful lives, one building (Old Omagh Fire Station) and an adjoining plot of land. The only asset with any value attributed to it at 31/03/15 was the land asset which had a value of £170k.

At the 2013/14 year end NIFRS did not hold any assets for sale.

NOTE 18 - IMPAIRMENTS

Operating Account

	2015		
	Property Plant & Equipment £'000	Intangibles £'000	Total £'000
Total value of impairments for the year	(2,742)	-	(2,742)
Impairments credited to Statement of Comprehensive Net Expenditure	(2,742)	-	(2,742)

	2014		
	Property Plant & Equipment £'000	Intangibles £'000	Total £'000
Total value of impairments for the year	(2,928)	-	(2,928)
Impairments which Revaluation Reserve covers (shown in Other Comprehensive Expenditure)	(7)	-	(7)
Impairments credited to Statement of Comprehensive Net Expenditure	(2,935)	-	(2,935)

NOTE 19 - INVENTORIES

	2015 £'000	2014 £'000
Uniforms	491	466
Firefighting Equipment	154	188
Stationery	52	49
Transport	215	197
Fuel	78	81
Other	6	9
Total	996	990

NOTE 20 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

20.1 Trade Receivables and Other Current Assets

	2015		2014	
	Operating £'000	Pension £'000	Operating £'000	Total £'000
Amounts falling due within 1 year				
Trade receivables	216	-	218	218
VAT receivable	1,174	-	1,378	1,378
Other receivables - not relating to fixed assets	1	-	-	-
Trade and Other Receivables	1,391	-	1,596	1,596
Prepayments and accrued income	310	2,181	332	1,756
Other Current Assets	310	2,181	332	1,756
Amounts falling due after more than 1 year	-	-	-	-
Total Trade and Other Receivables	1,391	-	1,596	1,596
Total Other Current Assets	310	2,181	332	1,756
Total Receivables and Other Current Assets	1,701	2,181	1,928	3,684

The above balances are net of a provision for bad debts of £Nil (2014 £Nil).

20.2 Trade Receivables and Other Current Assets: Intra-Government Balances

	Amounts falling due within 1 year 2015 £'000	Amounts falling due within 1 year 2014 £'000	Amounts falling due after more than 1 year 2015 £'000	Amounts falling due after more than 1 year 2014 £'000
Balances with other central government bodies	1,174	1,378	-	-
Balances with local authorities	7	41	-	-
Intra-Government Balances	1,181	1,419	-	-
Balances with bodies external to government	2,701	2,265	-	-
Total Receivables and Other Current Assets	3,882	3,684	-	-

NOTE 21 - CASH AND CASH EQUIVALENTS

	2015			2014		
	Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
Balance at 1 April	(482)	18	(464)	33	-	33
Net change in cash and cash equivalents	(266)	(16)	(282)	(515)	18	(497)
Balance at 31 March	(748)	2	(746)	(482)	18	(464)
The following balances at 31 March were held at :						
Commercial banks and cash in hand	(748)	2	(746)	(482)	18	(464)
Balance at 31 March	(748)	2	(746)	(482)	18	(464)

22.2 Trade Payables and Other Current Liabilities - Intra-Government Balances

	Amounts falling due within 1 year 2015 £'000	Amounts falling due within 1 year 2014 £'000	Amounts falling due after more than 1 year 2015 £'000	Amounts falling due after more than 1 year 2014 £'000
Balances with other central government bodies	763	875	-	-
Balances with local authorities	20	216	-	-
Balances with NHS/HSC Trusts	24	23	-	-
Intra-Government Balances	807	1,114	-	-
Balances with bodies external to government	5,319	7,782	-	-
Total Payables and Other Liabilities At 31 March	6,126	8,896	-	-

22.3 Loans

NIFRS did not have any loans payable at 31 March 2015 or 31 March 2014.

NOTE 23 - PROMPT PAYMENT POLICY

23.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that NIFRS pay their trade payables in accordance with the Better Payments Practice Code and Government Accounting rules. NIFRS' payment policy is consistent with the Better Payments Practice Code and Government Accounting rules and its measure of compliance is:

	2015 Number	2015 Value £'000	2014 Number	2014 Value £'000
Total bills paid	11,225	26,010	11,189	25,876
Total bills paid within 30 day target or under agreed payment terms	10,475	24,970	10,980	25,527
% of bills paid within 30 day target or under agreed payment terms	93.3%	96.0%	98.1%	98.7%
*Total bills paid within 30 days of receipt of an undisputed invoice	10,630	25,248	11,055	25,650
% of bills paid within 30 days of receipt of an undisputed invoice	94.7%	97.1%	98.8%	99.1%
Total bills paid within 10 day target	9,225	22,463	9,918	22,270
% of bills paid within 10 day target	82.2%	86.4%	88.6%	86.1%

23.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within interest payable arising from claims made by businesses under this legislation is £NIL (2014: £NIL).

NOTE 24 - PROVISIONS FOR LIABILITIES AND CHARGES

	Insurance	Firefighters' Compensation Scheme	Commutation factors	2015 Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2014	1,507	102,294	-	103,801
Provided in year	467	-	1,973	2,440
Provided in year - current service cost	-	2,780	-	2,780
Provided in year - past service cost	-	380	-	380
Provisions not required written back/changes in underlying assumptions	(96)	(40,310)	-	(40,406)
Provision utilised in the year	(569)	(2,923)	-	(3,492)
Cost of borrowing	(27)	4,450	-	4,423
At 31 March 2015	1,282	66,671	1,973	69,926

Analysis of expected timing of discounted flows

	Insurance	Firefighters' Compensation Scheme	Commutation factors	2015 Total
	£'000	£'000	£'000	£'000
Not later than 1 year	1,282	2,970	1,973	6,225
Later than 1 year and not later than 5 years	-	11,370	-	11,370
Later than 5 years	-	52,331	-	52,331
At 31 March 2015	1,282	66,671	1,973	69,926

Insurance Provision

NIFRS operates a policy of limited self insurance and has detailed above a provision of £1,282k (2014 : £1,507k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2015. The provision is calculated based on estimates provided by NIFRS.

An Insurance Officer liases with relevant third parties, with the exception of employment claims where Belfast City Council provide the information directly to the Finance Department. The provision is calculated using DFP's discount rate of (1.5%) in real terms.

Firefighters' Compensation Scheme

The Compensation Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted while employed by NIFRS. GAD performed a valuation as at 31 March 2015 leading to the provision of £66,671k (2014 : £102,294k) as shown above.

The significant decrease in the Firefighters' Compensation Scheme provision is caused by changes in underlying assumptions. The number of injury awards across authorities in England, Wales and Northern Ireland has fallen significantly over recent years and GAD have reduced their assumption of the likelihood of any given member retiring with an injury award to take account of this recent experience.

Commutation factors

Prior to 2006 the firefighters' pension scheme paid lump sum retirement benefits based on fluctuating rather than fixed commutation factors. These factors were not re-assessed by GAD during the period 1998 to 2006. Had the commutation factors been re-assessed in this period, the lump sums paid to retirees would have been greater than those originally paid out. A test case was recently brought to the Pensions Ombudsman from a firefighter who retired in 2005 and claimed that his lump sum had not been uplifted appropriately. The Ombudsman's final ruling found in favour of the firefighter. It is probable that this ruling impacts on all firefighters who retired with lump sums during the period 2001 to 2006 and GAD have subsequently released tables of factors for calculation of redress. The above provision has been calculated based on management's best estimate of the cost of providing 190 firefighters with an additional lump sum using these revised factors. No provision has been made for associated interest, unauthorised payment or scheme sanction charges which cannot be quantified at present.

Financial assumptions

The principal financial assumptions applied to the Firefighters' Compensation Scheme valuation are summarised below:

	2015	2014	2013
	%	%	%
Discount rate	3.55	4.35	4.10
Price inflation (CPI)	2.20	2.50	1.70
Rate of increase in pensionable salaries	4.20	4.50	3.95
Rate of increase in pensions	2.20	2.50	1.70

NOTE 24 - PROVISIONS FOR LIABILITIES AND CHARGES

	Insurance	Firefighters' Compensation Scheme	Commutation factors	2014 Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2013	944	91,286	-	92,230
Provided in year	956	-	-	956
Provided in year - current service cost	-	2,230	-	2,230
Provided in year - past service cost	-	680	-	680
Provisions not required written back/changes in underlying assumptions	(45)	7,570	-	7,525
Provision utilised in the year	(329)	(3,192)	-	(3,521)
Cost of borrowing	(19)	3,720	-	3,701
At 31 March 2014	1,507	102,294	-	103,801

Analysis of expected timing of discounted flows

	Insurance	Firefighters' Compensation Scheme	Commutation factors	2014 Total
	£'000	£'000	£'000	£'000
Not later than 1 year	1,507	3,276	-	4,783
Later than 1 year and not later than 5 years	-	12,415	-	12,415
Later than 5 years	-	86,603	-	86,603
At 31 March 2014	1,507	102,294	-	103,801

Insurance Provision

NIFRS operates a policy of limited self insurance and has detailed above a provision of £1,507k (2013 : £944k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2014. The provision is calculated based on estimates provided by NIFRS.

An Insurance Officer liaises with relevant third parties, with the exception of employment claims where Belfast City Council provide the information directly to the Finance Department. The provision is calculated using DFP's discount rate of (1.9%) in real terms.

Firefighters' Compensation Scheme

The Compensation Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted while employed by NIFRS. GAD performed a valuation as at 31 March 2014 leading to the provision of £102,294k (2013 : £91,286k) as shown above.

Financial assumptions

The principal financial assumptions applied to the Firefighters' Compensation Scheme valuation are summarised below:

	2014 %	2013 %	2012 %
Discount rate	4.35	4.10	4.85
Price inflation (CPI)	2.50	1.70	2.00
Rate of increase in pensionable salaries	4.50	3.95	4.25
Rate of increase to pensions in payment	2.50	1.70	2.00

NOTE 25 - NILGOSC PENSION LIABILITY

The majority of Non-Uniformed and Regional Control Centre staff within NIFRS are members of the NILGOSC Scheme, a multi-employer defined benefit scheme in which it is possible for a participating employer such as NIFRS to identify its share of assets and liabilities on a consistent basis.

Financial assumptions

The principal financial assumptions applied to the NILGOSC valuation are summarised below:

	2015	2014	2013
	%	%	%
Discount rate	3.2	4.3	4.5
Price inflation (CPI)	1.8	2.4	2.8
Rate of increase in pensionable salaries	3.3	3.9	5.2
Pension accounts revaluation rate	1.8	n/a	n/a
Pension increases	1.8	2.4	2.8

Mortality assumptions

Assumptions regarding future mortality are based on published statistics and mortality tables. Current assumptions in respect of the life expectancy of NILGOSC members are as follows:

	2015		2014	
	Males	Females	Males	Females
65 year old current pensioner	22.2 years	24.7 years	22.1 years	24.6 years
45 year old future pensioner at age 65	24.4 years	27.0 years	24.3 years	26.9 years

Pension Assets and Liabilities

	Asset Allocation		Asset Allocation	
	at 31 March 2015	Assets at 31 March 2015	at 31 March 2014	Assets at 31 March 2014
	% p.a.	£'000	% p.a.	£'000
Equities	73.0%	40,504	74.2%	36,030
Bonds	12.2%	6,770	12.0%	5,827
Property	12.6%	6,991	11.2%	5,439
Cash/Other	2.2%	1,221	2.6%	1,263
Fair value of scheme assets		55,486		48,559
Present value of funded obligations		(67,661)		(57,908)
Net liability		<u>(12,175)</u>		<u>(9,349)</u>

	2015	2014
	£'000	£'000
Change in pension assets		
Opening fair value of assets	48,559	45,042
Interest on scheme assets	2,100	2,038
Contributions by participants	409	390
Contributions by employer	1,268	1,214
Movement*	<u>1</u>	<u>(19)</u>
	1,269	1,195
Remeasurement gains/(losses) on assets	4,296	991
Benefits paid	(1,147)	(1,116)
Movement*	<u>-</u>	<u>19</u>
	<u>(1,147)</u>	<u>(1,097)</u>
Closing fair value of assets	<u><u>55,486</u></u>	<u><u>48,559</u></u>

	2015 £'000	2014 £'000
Change in benefit obligations		
Opening defined benefit obligation	57,908	56,467
Current service cost	1,562	1,572
Interest cost	2,475	2,525
Contributions by participants	409	390
<i>Remeasurements:</i>		
Actuarial (gain)/loss due to liability experience	(244)	1,399
Actuarial (gain)/loss from changes in demographic assumptions	-	(1,789)
Actuarial (gain)/loss from changes in financial assumptions	6,698	(1,540)
Movement*	-	(19)
	<u>6,454</u>	<u>(1,949)</u>
Net benefits paid out	(1,147)	(1,116)
	-	19
	<u>(1,147)</u>	<u>(1,097)</u>
Closing defined benefit obligation	<u>67,661</u>	<u>57,908</u>

Analysis of amounts recognised in other expenditure

	2015 £'000	2014 £'000
Current service cost	1,562	1,572
Employer contributions	(1,268)	(1,214)
Movement*	-	19
	<u>(1,268)</u>	<u>(1,195)</u>
	<u>294</u>	<u>377</u>

Analysis of amounts recognised in interest on scheme liabilities

	2015 £'000	2014 £'000
Interest on scheme assets	(2,100)	(2,038)
Interest on scheme liabilities	2,475	2,525
	<u>375</u>	<u>487</u>

Analysis of amounts recognised in other comprehensive expenditure

	2015 £'000	2014 £'000
Remeasurement (gains)/losses on assets	(4,296)	(991)
Remeasurement of scheme liabilities	6,454	(1,930)
Movement*	-	(19)
	<u>6,454</u>	<u>(1,949)</u>
	<u>2,158</u>	<u>(2,940)</u>

* The contributions and benefits paid figures within the provision are calculated on an accruals basis thus differing slightly from the figures provided by AON Hewitt at year end. This accounts for the small movement figures detailed above.

Analysis of remeasurement gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of assets	55,486	48,559	45,042	38,042	37,309
Present value of defined benefit obligation	(67,661)	(57,908)	(56,467)	(47,525)	(43,052)
Net Deficit	(12,175)	(9,349)	(11,425)	(9,483)	(5,743)
Experience gains/ (losses) on assets	4,296	991	4,450	(2,314)	2,347
Experience gains/ (losses) on liabilities	244	(1,399)	45	(403)	4,739
	4,540	(408)	4,495	(2,717)	7,086
Remeasurement gains/(losses) on employer assets	4,296	991	4,450	(2,314)	2,347
Remeasurement gains/(losses) on obligation	(6,454)	1,949	(6,196)	(1,524)	9,234
	(2,158)	2,940	(1,746)	(3,838)	11,581
Remeasurement gains/ (losses) recognised in other comprehensive expenditure					

Sensitivity analysis

The calculation of the pension liability is sensitive to the assumptions set out above. The following table summarises the impact on the pension liability at 31 March 2015 of changes in key assumptions:

	Approximate % increase/ (decrease) in liability	Approximate monetary increase/ (decrease) in liability £'000
0.1% decrease in Discount Rate	2.0	1,367
1 year increase in Member Life Expectancy	(2.7)	(1,825)
0.1% decrease in the Salary Increase Rate	(0.7)	(491)
0.1% decrease in the Pension Increase Rate	(1.3)	(904)

In each case, only the assumption mentioned is altered, all other assumptions remain unchanged.

Whilst the above analysis does not take account of the full distribution of cash flows expected under the Scheme, it does provide an approximation to the sensitivity of the assumptions shown.

NOTE 26 - FIREFIGHTERS' PENSION LIABILITY

As at 31 March 2015, NIFRS operated two Firefighters' Pension Schemes, namely:

The Firefighters' Pension Scheme (NI) 2006;
The New Firefighters' Pension Scheme (NI) 2006.

These schemes are governed by the provisions of The Firefighters' Pension Scheme Order (Northern Ireland) 2007 and The New Firefighters' Pension Scheme Order (Northern Ireland) 2007 respectively.

Pension scheme liabilities accrue over employees' periods of service and are discharged over the period of retirement and where applicable, the period for which a spouse or eligible partner survives the pensioner. In valuing the scheme liability, the actuary must estimate the impact of several inherently uncertain variables far into the future. These variables include not only the key financial assumptions noted in the table below, but also assumptions about changes that will occur in the future in the mortality rate, the age of retirement and the age from which a pension becomes payable.

Financial assumptions

The principal financial assumptions applied to the IAS 19 valuation are summarised below:

	2015	2014	2013
	%	%	%
Discount rate	3.55	4.35	4.10
Price inflation (CPI)	2.20	2.50	1.70
Rate of increase in pensionable salaries	4.20	4.50	3.95
Rate of increase in pensions	2.20	2.50	1.70

Mortality assumptions

Assumptions regarding future mortality are based on published statistics and mortality tables.

Current assumptions in respect of the life expectancy of members are as follows:

	2015		2014	
	Males	Females	Males	Females
65 year old current pensioner	22.5 years	22.5 years	23.5 years	25.5 years
45 year old future pensioner at age 65	25.1 years	25.1 years	26.6 years	28.6 years

Changes in pension scheme liability

	Firefighters' Pension Scheme	New Firefighters' Pension Scheme	Total 2015	Total 2014
	£'000	£'000	£'000	£'000
Net Deficit at beginning of year	603,309	38,000	641,309	551,918
Current service cost	15,050	7,160	22,210	19,340
Net interest on defined benefit liability	26,210	1,820	28,030	22,730
	<u>41,260</u>	<u>8,980</u>	<u>50,240</u>	<u>42,070</u>
Pension transfers in	350	218	568	506
	<u>350</u>	<u>218</u>	<u>568</u>	<u>506</u>
Benefits payable	(16,853)	(71)	(16,924)	(15,810)
Pension payments to and on account of leavers	(248)	(12)	(260)	(35)
	<u>(17,101)</u>	<u>(83)</u>	<u>(17,184)</u>	<u>(15,845)</u>
Remeasurements	(4,700)	26,600	21,900	62,660
Net Deficit at end of year	<u>623,118</u>	<u>73,715</u>	<u>696,833</u>	<u>641,309</u>

Analysis of amounts recognised in other comprehensive expenditure

	2015 £'000	2014 £'000
Experience gains/(losses)	18,370	2,860
Changes in assumptions underlying Retained Settlement	(15,140)	-
Changes in financial assumptions	(68,050)	(57,160)
Changes in other assumptions	42,920	(8,360)
	<u>(21,900)</u>	<u>(62,660)</u>

Analysis of experience gains/(losses)

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Remeasurements in respect of scheme liability	<u>(21,900)</u>	<u>(62,660)</u>	<u>(50,170)</u>	<u>(5,590)</u>	<u>33,250</u>
Experience adjustments	<u>18,370</u>	<u>2,860</u>	<u>(2,190)</u>	<u>1,020</u>	<u>(2,690)</u>
As % total remeasurements	<u>-84%</u>	<u>-5%</u>	<u>4%</u>	<u>-18%</u>	<u>-8%</u>

Sensitivity analysis

The calculation of the pension liability is sensitive to the assumptions set out below. The following table summarises the impact on the pension liability at 31 March 2015 of changes in these key assumptions.

The Firefighters' Pension Scheme (NI) 2006

	Approximate % increase/ (decrease) in liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% decrease in Discount Rate	10.9	68
1 year increase in Member Life Expectancy	2.3	14
0.5% increase in Salary Increase Rate	1.4	9
0.5% increase in Pension Increase Rate	9.1	57
Each member assumed to retire 1 year earlier than expected	(1.0)	(6)

Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.

The New Firefighters' Pension Scheme (NI) 2006

	Approximate % increase/ (decrease) in liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% decrease in Discount Rate	14.9	11.0
1 year increase in Member Life Expectancy	2.0	1.5
0.5% increase in Salary Increase Rate	5.3	4.0
0.5% increase in Pension Increase Rate	8.8	6.5
Each member assumed to retire 1 year earlier than expected	1.1	0.8

Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.

In each case, only the assumption mentioned is altered, all other assumptions remain unchanged.

Whilst the above analysis does not take account of the full distribution of cash flows expected under the Scheme, it does provide an approximation to the sensitivity of the assumptions shown.

NOTE 27 - CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2015 not otherwise included in these Accounts are as follows:

	2015 £'000	2014 £'000
Property, plant and equipment	2,071	1,176
Intangible assets	-	16
	<u>2,071</u>	<u>1,192</u>

NOTE 28 - COMMITMENTS UNDER LEASES

28.1 Operating Leases

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

	2015 £'000	2014 £'000
Land		
Not later than 1 year	303	303
Later than 1 year and not later than 5 years	1,212	1,212
Later than 5 years	<u>15,983</u>	<u>16,286</u>
	<u>17,498</u>	<u>17,801</u>
Buildings		
Not later than 1 year	64	100
Later than 1 year and not later than 5 years	82	140
Later than 5 years	-	-
	<u>146</u>	<u>240</u>
Other		
Not later than 1 year	16	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>16</u>	<u>-</u>

Total future minimum sublease payments expected to be received under non - cancellable subleases at the end of the reporting period are as follows:

	2015 £'000	2014 £'000
Sublease payments	<u>48</u>	<u>48</u>
	<u>48</u>	<u>48</u>
Lease payments recognised as an expense in the period	<u>925</u>	<u>979</u>
	<u>925</u>	<u>979</u>

NIFRS holds only one significant lease in respect of land

28.2 Finance Leases

This note is not applicable to NIFRS.

28.3 Operating Leases - Commitments under Lessor Agreements

Total future minimum lease payments receivable under operating leases are given in the table below.

	2015	2014
	£'000	£'000
Obligations under operating leases issued by NIFRS comprise		
Land & Buildings		
Not later than 1 year	21	21
Later than 1 year and not later than 5 years	45	56
Later than 5 years	30	40
	<u>96</u>	<u>117</u>
Other		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>

NOTE 29 - COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

This note is not applicable to NIFRS.

NOTE 30 - OTHER FINANCIAL COMMITMENTS

NIFRS has entered into non-cancellable contracts (which are not leases or PFI contracts). The payments to which NIFRS is committed during 2014/15 analysed by the period during which the commitment expires are as follows:

	2015	2014
	£'000	£'000
Expires within 1 year	95	128
Expiry after 1 year but not more than 5 years	-	-
Expiry thereafter	-	-
	<u>95</u>	<u>128</u>

NOTE 31 - FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

NIFRS did not have any financial instruments at 31 March 2015 or 31 March 2014.

NOTE 32 - CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

	2015	2014
	£'000	£'000
Limited Self Insurance		
Public Liability	28	28
Employer Liability	89	142
Vehicle Liability	49	46
	<u>166</u>	<u>216</u>

Self Insurance

NIFRS operates a policy of limited self insurance and has detailed at Note 24 a provision of £1,282k in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2015. While this is the anticipated sum to meet the liability there is potential for a further liability of £166k. NIFRS policy is to vigorously defend all cases.

Commutation factors

Prior to 2006 the firefighters' pension scheme paid lump sum retirement benefits based on fluctuating rather than fixed commutation factors. These factors were not re-assessed by GAD during the period 1998 to 2006. Had the commutation factors been re-assessed in this period, the lump sums paid to retirees would have been greater than those originally paid out. A test case was recently brought to the Pensions Ombudsman from a firefighter who retired in 2005 and claimed that his lump sum had not been uplifted appropriately. The Ombudsman's final ruling found in favour of the firefighter. It is probable that this ruling impacts on all firefighters who retired with lump sums during the period 2001 to 2006 and GAD have subsequently released tables of factors for calculation of redress. As disclosed in note 24, a provision has been recognised based on management's best estimate of the cost of providing 190 firefighters with an additional lump sum using these revised factors. No provision has been made for associated interest, unauthorised payment or scheme sanction charges which cannot be quantified at present.

NOTE 33 - RELATED PARTY TRANSACTIONS

NIFRS is an arms length body of the Department of Health, Social Services and Public Safety and as such the Department is a related party with which NIFRS has had various material transactions during the year.

Members and senior management are required to declare any personal, financial and business interest which may conflict with their role within NIFRS.

NIFRS Director of Planning, Performance & Governance, on appointment in an interim position, declared family members were directors of Graham Facility Management. During the year ended 31 March 2015 NIFRS made payments of £46,044 to this company. All contracts were in place prior to the appointment of the Director of Planning, Performance & Governance who has no dealings with the contract management arrangements.

Alan Hanna, a non-executive director on the NIFRS Board declared that he was also a non-executive director for the Business Services Organisation (BSO), a Non Departmental Public Body.

Under a Procurement and Logistic Services (PALS) agreement, NIFRS received support services from BSO for stores/purchasing, consumable goods, stationery etc to a value of £301,659 (2013/14 : £90,987).

During the year, no other Board member, member of key management staff or other related party or their close family members undertook any material transactions with NIFRS.

NOTE 34 - THIRD PARTY ASSETS

This note is not applicable to NIFRS.

NOTE 35 - FINANCIAL PERFORMANCE TARGETS

35.1 Revenue Resource Limit

NIFRS is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit (RRL) for NIFRS is calculated as follows:

	2015 £'000	2014 £'000
DHSSPS (excludes non cash)	71,143	74,332
Non cash RRL (from the DHSSPS)	(28,658)	18,188
Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure	42,485	92,520

35.2 Capital Resource Limit

NIFRS is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2015 £'000	2014 £'000
Gross Capital Expenditure	6,172	8,506
Receipts from sale of fixed assets up to NBV	-	(1)
Net capital expenditure	6,172	8,505
Capital Resource Limit	(6,172)	(9,525)
Underspend against CRL	-	(1,020)

35.3 Financial Performance Targets

NIFRS is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of RRL limits.

	2015 £'000	2014 £'000
Net Expenditure	(42,449)	(92,361)
RRL	42,485	92,520
Surplus/(Deficit) against RRL	<u>36</u>	<u>159</u>
Break Even cumulative position (opening)	97	(62)
Break Even Cumulative position (closing)	<u><u>133</u></u>	<u><u>97</u></u>

Materiality Test:

	2015 %	2014 %
Break Even in year position as % of RRL	<u>0.08</u>	<u>0.17</u>
Break Even cumulative position as % of RRL	<u>0.31</u>	<u>0.10</u>

NOTE 36 - LOSSES & SPECIAL PAYMENTS

	2015	2015	Restated
	Number of	£	2014
	cases		£
Cash Losses			
Cash Losses - Overpayments of salaries, wages and allowances	-	-	-
Cash Losses - Other causes	-	-	200
	<u>-</u>	<u>-</u>	<u>200</u>
Claims Waived or Abandoned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Administrative Write-offs			
Bad debts	-	-	204
Other	-	-	68,817
	<u>-</u>	<u>-</u>	<u>69,021</u>
Fruitless Payments			
Late Payment of Commercial Debt	-	60	-
Other fruitless payments and constructive losses	-	-	-
	<u>-</u>	<u>60</u>	<u>-</u>
Stores Losses			
Other stores losses	-	-	99
	<u>-</u>	<u>-</u>	<u>99</u>
Special Payments			
Ex-gratia payments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>60</u>	<u>69,320</u>

36.1 Special Payments

There were no other special payments or gifts made during the year.

36.2 Other Payments

There were no other payments made during the year.

36.3 Losses and Special Payments over £250,000

There were no losses or special payments over £250,000 made during the year.

NOTE 37 - POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material effect on the Accounts.

NOTE 38 - CORPORATION TAX

	2015 £'000	2014 £'000
Corporation tax	(576)	604
Total	<u><u>(576)</u></u>	<u><u>604</u></u>

NOTE 39 - DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these Annual Accounts for issue on 30 June 2015.

THE FIRE AND RESCUE SERVICES (NORTHERN IRELAND) ORDER 2006

THE NORTHERN IRELAND FIRE AND RESCUE SERVICE BOARD (ANNUAL ACCOUNTS) DIRECTION (NORTHERN IRELAND) 2010

The Department of Health, Social Services and Public Safety makes the following Direction in exercise of the powers conferred on it by paragraph 15(2) of Schedule 1 to the Fire and Rescue Services (Northern Ireland) Order 2006(a) and with the consent of the Department of Finance and Personnel.

Citation and commencement

1. This Direction may be cited as the Northern Ireland Fire and Rescue Service (Annual Accounts) Direction (Northern Ireland) 2010 and shall come into operation on the 3 August 2010.

Interpretation

2. In this Direction –

“the Department” means the Department of Health, Social Services and Public Safety;

“the FReM” means the Government Financial Reporting Manual issued by the HM Treasury.

Accounts in relation to which this Direction applies

3. The Northern Ireland Fire and Rescue Service Board shall prepare accounts for the financial year ended 31 March 2010 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the FReM which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirement as agreed with the Department.

Preparation of accounts

4. The accounts shall be prepared so as to -

(a) give a true and fair view of the state of affairs at 31 March 2010 and subsequent financial year-ends, and of the income and expenditure, recognised gains and losses and cash flows for the financial year then ended; and

(b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Northern Ireland Assembly or material transactions that have not conformed to the authorities which govern them.

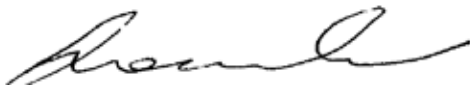
[\(a\) S.I.2006 No.1254 \(N.I.9\)](#)

5. Compliance with the requirements of FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department and the Department of Finance and Personnel.

Revocation

6. The Fire Authority for Northern Ireland (Annual Accounts) Determination (NI) 2006 dated the 16th August 2006 is hereby revoked.

Signed on behalf of the Department of Health, Social Services and Public Safety on the 3 August 2010.



John Deery

Senior Officer of the Department of Health, Social Services and Public Safety

NORTHERN IRELAND FIRE & RESCUE SERVICE

Headquarters
1 Seymour Street
Lisburn
BT27 4SX

Tel. 028 9266 4221
Fax. 028 9267 7402
Email. enquiries@nifrs.org

www.nifrs.org

