



Northern Ireland  
Fire & Rescue Service

NORTHERN IRELAND FIRE & RESCUE SERVICE / ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2015-16.



## NORTHERN IRELAND FIRE & RESCUE SERVICE

Headquarters  
1 Seymour Street  
Lisburn  
BT27 4SX  
Tel. 028 9266 4221  
Fax. 028 9267 7402  
Email. [enquiries@nifrs.org](mailto:enquiries@nifrs.org)

[www.nifrs.org](http://www.nifrs.org)



**ANNUAL REPORT**  
and Statement of Accounts

**2015-16**

Protecting Our Community









## Northern Ireland Fire & Rescue Service (NIFRS) Annual Report and Accounts for the year ended 31 March 2016

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The Accounting Officer authorised these financial statements for issue on  
28 June 2016

Laid before the Northern Ireland Assembly under paragraphs 15 (5) and 16 (2) of  
Schedule 1, and paragraph 6 (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

23 September 2016







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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](mailto:enquiries@nifrs.org)

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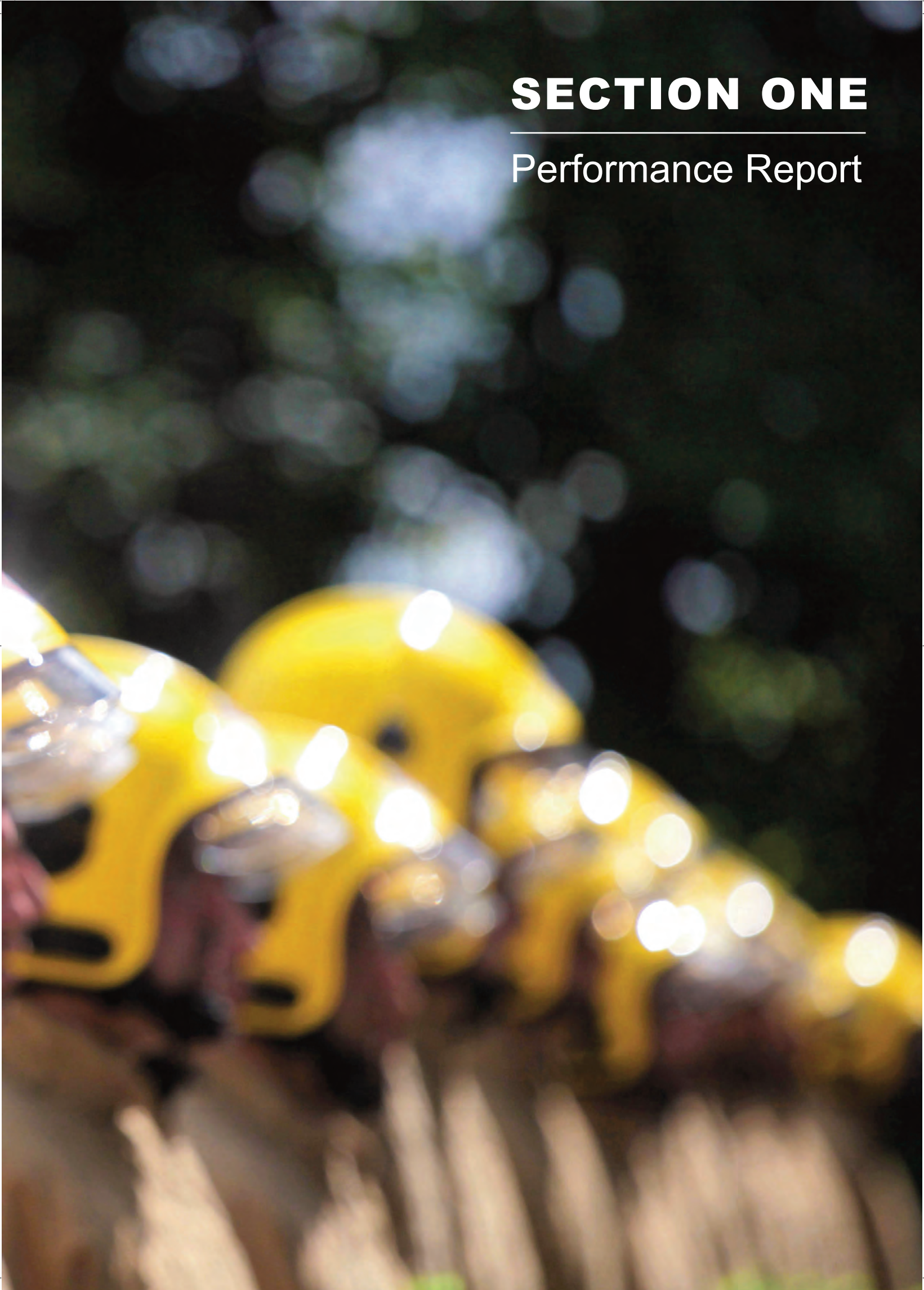




# SECTION ONE

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## Performance Report





## 1.1 Performance Overview

### NIFRS Board Chairperson's Introduction

**Carmel McKinney, OBE**  
Chairperson, NIFRS Board



On behalf of the Northern Ireland Fire & Rescue Service Board I am pleased to present our Annual Report and Statement of Accounts for 2015-16.

The NIFRS Board is responsible for the provision of fire and rescue services across Northern Ireland and ensuring that the organisation is resourced to meet its challenges. The Board report to the Department of Health, Social Services and Public Safety on issues of governance and accountability.

Since my appointment to the NIFRS Board on 1 July 2015 I have made it my priority to engage with staff and to listen to their views and ideas on the future direction of NIFRS.

***“ I have been hugely impressed by the dedication and professionalism of NIFRS staff who are facing a great deal of organisational change as NIFRS continues on its journey of transformation and improvement. ”***

Working with my Board Member colleagues and with the NIFRS Corporate Management Team we are focused on delivering the most effective and efficient fire and rescue service to the people of Northern Ireland. Our challenge is to do this within our allocated budget whilst at the same time managing public and stakeholder expectations of what NIFRS can deliver given our reduced budget and the programme of change we are undertaking.

Three new Board Members were appointed to the Board on 1 September 2015 for a 4 year term and these appointments have strengthened the Board's position in ensuring we hold NIFRS to the highest standards of leadership, governance and accountability.

Looking ahead to 2016-17, while there will be challenging times ahead, the NIFRS Board will continue to work with the Corporate Management Team and with the Department of Health, Social Services and Public Safety to ensure the public receive a fire and rescue service which is focused on keeping people safe and protecting and rescuing people in need.



## Chief Fire & Rescue Officer's Foreword

### Dale Ashford, QFSM

Interim Chief Fire & Rescue Officer,  
NIFRS



I was appointed NIFRS Interim Chief Fire & Rescue Officer in May 2015 and as I review the year 2015-16 I look back and am extremely proud that, despite the organisational change we are undertaking and the challenging financial climate, NIFRS personnel have continued to work hard to deliver a fire and rescue service which can always be relied upon to help people in an emergency situation.

***Last year our Regional Control Centre personnel managed 33,440 emergency calls for help and Firefighters responded to 22,458 emergency incidents. This equates to an average of 62 emergency incidents every day across Northern Ireland.***

We attended 3,204 major fires and rescued 138 people. While the number of accidental house fires decreased by 8.7% with 843 accidental house fires in 2015-16, it is a tragedy that 12 people still lost their lives in accidental house fires. In 2016-17 we will be focused on identifying and targeting

those people most vulnerable and at risk from an accidental house fire and will work with the public and partner agencies in the health, social care and voluntary sectors to provide fire safety advice and support to people most at risk.

We will continue to reach out and engage with the wider public on a range of safety issues all with the aim of protecting our community from the dangers of fires, road traffic collisions and other types of emergency incidents. Last year we carried out 5,707 home fire safety checks and installed 4,722 smoke alarms and attended hundreds of community events and schools to talk to people about improving their own fire safety.

On our roads we attended 730 road traffic collisions were tragically 50 people died. We rescued 561 people trapped in their vehicles so they could receive the required medical attention. We will continue our road safety awareness by educating people about the consequences of being involved in road traffic collisions and we will continue to focus on young drivers, aged 17-24, who are most at risk on our roads.



We worked hard to address a number of anti-social behaviour issues and it was encouraging to see the number of hoax calls made to NIFRS reduce by 20% (1,287 hoax calls received) and we saw a 46% reduction in attacks on Firefighters which resulted in injury and/or damage to the fire appliance (14 occasions). We will continue our efforts and community engagement activities in order to further reduce unacceptable attacks on our personnel.

Our focus on keeping the non-domestic sector safe from fire was evident in the 3,651 Fire Safety Audits carried out under the requirements of the Fire Safety Legislation. While the majority of non-domestic premises do comply with regulations, as the enforcing authority we issued 4 enforcement notices, 4 prohibition notices and carried out one prosecution for repeated failure to comply with fire safety standards.

2015-16 was undoubtedly another challenging year for NIFRS because like all public sector bodies we faced budget reductions. We have had to take difficult decisions in order to remain within our budget whilst ensuring we delivered on our statutory responsibilities based on our number one priority of protecting Firefighter and public safety. I want to pay tribute to all personnel who fulfilled their duties and served their communities with the utmost dedication despite the challenges.

Looking ahead to 2016-17 we know there is still much work to be done. We will continue to explore more effective and efficient ways of working. We need to balance how we make savings against the very real need to invest in our personnel as well as critical areas of the organisation - such as updating our IT systems and Estates maintenance. That is the challenge that lies ahead not just for the Corporate Management Team but for all NIFRS employees as we embrace this period of transformational organisational change.

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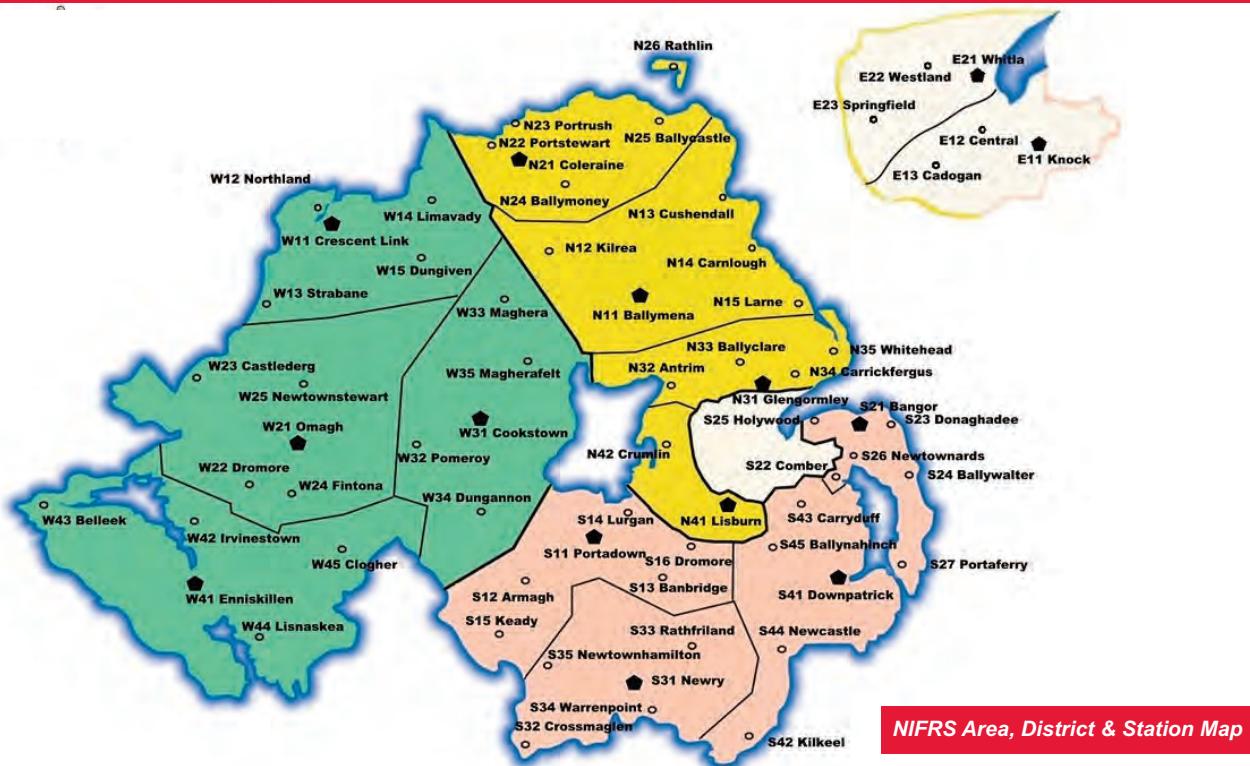
## Northern Ireland Fire & Rescue Service - About Us

**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.





**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.

**What We Value:**

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

**Our Strategic Objectives**

**For Business Planning and Performance Measurement we have 4 Key Strategic Objectives:**

- Prevention, Protection and Emergency Response;
- Manage Resources;
- Support Our People;
- Effective Governance, Performance and Improvement.



## 1.2 Performance Analysis

### Key Performance Indicators

We have developed a suite of **Key Performance Indicators** to measure our performance and monitor our success. We

have assessed our performance in 2015-16 against our performance in 2014-15 and against the Baseline figure and targets.

Key Indicator	Baseline 2012-13	Performance 2014-15	Performance 2015-16																																											
<p><b>KPI 1 999 Emergency Response</b></p> <p>Achieve and maintain local 999 emergency response standard of 75% of appliances attending an incident within the set target times.</p> <table border="1"> <thead> <tr> <th>Response Area</th> <th>Response Target</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>1st Appliance</b></td> </tr> <tr> <td>High</td> <td>75% within 6 minutes</td> <td rowspan="3">No Baseline</td> <td>59%</td> <td>57%</td> </tr> <tr> <td>Medium</td> <td>75% within 12 minutes</td> <td>78%</td> <td>77%</td> </tr> <tr> <td>Low</td> <td>75% within 21 minutes</td> <td>84%</td> <td>89%</td> </tr> <tr> <td colspan="5"><b>2nd Appliance</b></td> </tr> <tr> <td>High</td> <td>75% within 9 minutes</td> <td></td> <td>60%</td> <td>60%</td> </tr> <tr> <td>Medium</td> <td>75% within 15 minutes</td> <td></td> <td>70%</td> <td>67%</td> </tr> <tr> <td>Low</td> <td>75% within 24 minutes</td> <td></td> <td>82%</td> <td>82%</td> </tr> </tbody> </table>	Response Area	Response Target				<b>1st Appliance</b>					High	75% within 6 minutes	No Baseline	59%	57%	Medium	75% within 12 minutes	78%	77%	Low	75% within 21 minutes	84%	89%	<b>2nd Appliance</b>					High	75% within 9 minutes		60%	60%	Medium	75% within 15 minutes		70%	67%	Low	75% within 24 minutes		82%	82%			
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<p><b>KPI 2 Number of Fatalities in Primary Fires</b></p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of fatalities in primary fires per 100,000 populations from the 2012-13 baseline.</p>	15	11	16																																											
<p><b>KPI 3 Number of Non-Fatal Casualties in Primary Fires</b></p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of non-fatal casualties in primary fires per 100,000 populations from the 2012-13 baseline.</p>	146	158	134																																											
<p><b>KPI 4 Number of Primary Fires</b></p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of primary fires per 100,000 from the 2012-13 baseline.</p>	3,063	3,138	3,204																																											



Key Indicator	Baseline 2012-13	Performance 2014-15	Performance 2015-16
<p><b>KPI 5 Arson (Deliberate Fire) Incidents</b></p> <p>(a) Reduce by 2% year-on-year (10% reduction by 2018) the number of deliberate primary fires per 10,000 from the 2012-13 baseline.</p> <p>(b) Reduce by 4% year-on-year (20% reduction by 2018) the number of deliberate secondary fires per 10,000 from the baseline average figure of the last 5 years.</p>	1,303	1,308	1,405
<p><b>KPI 6 Average number of Working Shifts/Days lost to Sickness</b></p> <p>Achieve an average of 7 days/shifts lost per year by 2018.</p>	11.5	9.8	12.5
<p><b>KPI 7 Firefighter Safety</b></p> <p>Achieve a 10% year-on-year reduction on attacks on Firefighters and damage to appliances from the 2012-13 figures.</p>	31	26	14
<p><b>KPI 8 Reportable Accidents and Injuries</b></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.</p>	Total 29	<p><b>Reportable Accidents</b></p> <p>Wholetime 20 Retained 13 Control Room - Support Staff 2</p>	<p><b>Reportable Accidents</b></p> <p>Wholetime 12 Retained 7 Control Room - Support Staff 2</p>
	Total 2	<p><b>Major Accidents &amp; Injuries</b></p> <p>Wholetime 1 Retained - Control Room - Support Staff -</p>	<p><b>Major Accidents &amp; Injuries</b></p> <p>Wholetime 3 Retained 1 Control Room - Support Staff -</p>
<p><b>KPI 9 Efficiency Savings</b></p> <p>Achieve a breakeven target of 0.25% or £20k (whichever is greater) of cash revenue allocation for 2015-16</p>	No Baseline	0.08%	0.12%



## Other Performance Measures (Statistical Overview)

We have a range of **Other Performance Measures** that we use in addition to our KPIs. As an organisation tasked with protecting our community, here is how we

have performed at-a-glance during the past year (2015-16) compared to the previous year (2014-15).

Performance Measurement	2014-15 Statistics	2015-16 Statistics	% Increase/ Decrease
<b>Regional Control Centre</b>			
999 Calls Received and Managed by Regional Control Centre	33,992	33,440	-1.6
Incidents Mobilised	22,781	22,458	-1.4
Hoax Calls Received	1,614	1,287	-20.3
Mobilisations to Hoax Calls	442	369	-16.5
<b>Operational Overview</b>			
Major Fires Attended	3,138	3,204	+2.1
Accidental Dwelling Fires	923	843	-8.7
Accidental Dwelling Fire Fatalities	8	12* (*2 of these deaths are subject to State Pathologist's report to confirm cause of death)	+50.0
Fire Fatalities Other	3	4	+33.0
Major Fire Rescues	213	138	-35.2
Road Traffic Collisions Attended	720	730	+1.4
Road Traffic Collision Fatalities (only at RTCs NIFRS attended)	45	50	+11.1
Road Traffic Collision Rescues	567	561	-1.1
Special Service Calls Attended (excludes RTCs)	1,775	1,831	+3.2



<b>Performance Measurement</b>	<b>2014-15 Statistics</b>	<b>2015-16 Statistics</b>	<b>% Increase/ Decrease</b>
Special Service Call Fatalities (excludes RTCs)	39	37	-5.1
Special Service Call Rescues (excludes RTCs)	737	875	+18.7
Gorse Fires	1,499	1,439	-4.0
Secondary Fires	4,864	4,867	+0.1
<b>Safety Activity Overview</b>			
Safety Events Attended Total	2,766	2,195	-20.6
Fire Safety Talks	279	251	
Safety Team	553	529	
School Visits	752	596	
Community Engagement	758	571	
Community Events	424	248	
Fire Safety Leaflets Distributed	142,736	121,754	-14.7
Home Fire Safety Checks carried out across NI	6,958	5,707	-18.0
Smoke Alarms fitted in homes across NI	5,146	4,722	-8.2
<b>Other Measures</b>			
Unwanted Fire Signals attended (activations from Fire Alarm Systems)	7,641	7,594	-0.6
Attacks on Firefighters (includes hostile crowds, verbal abuse, physical attacks, damage to appliances, injury to Firefighters & withdrawal from incident due to threat of attack)	110	127	+15.5
Attacks on Firefighters resulting in Injury to Firefighter/Damage to Fire Appliance	26	14	-46.1
Fire Safety Audits completed (Commercial/Business Premises)	3,533	3,651	+3.3

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



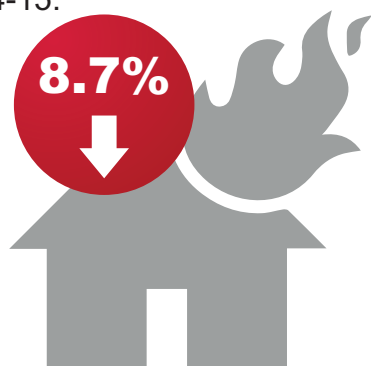


## An Overview of our Operational Performance During 2015-16



### 999 Calls Received & Incidents Attended

During 2015-16, NIFRS received a total of 33,440 emergency calls for help to its Regional Control Centre, which was a 1.6% reduction in calls received compared to 2014-15. Fire crews responded to a total 22,458 emergency incidents across Northern Ireland, which was a 1.4% reduction in mobilisations compared to 2014-15.



### Fires

Firefighters attended 3,204 major fires rescuing 138 people. The number of accidental dwelling fires decreased by 8.7% from 923 in 2014-15 to 843 in 2015-16. Unfortunately 12\* (\*2 of these deaths are still subject to State Pathologist Reports to confirm cause of death) people lost their lives as a result of accidental dwelling fires which is a 50% increase from 2014-15 when 8 people died. It is a tragedy that anyone should lose their life in an accidental house fire and NIFRS, through its 'People at Risk' strategy, is specifically targeting its prevention work at those people considered to be at greatest risk, those aged 60 or older; or anyone with a

disability or an impaired mobility (includes people with an impairment or health condition that would impact on their ability to acknowledge and respond to an emergency in the home).

NIFRS will be working closely with partner agencies to help identify these groups and reduce the number of people dying in accidental house fires.



NIFRS attended 4,867 secondary fires, a marginal increase on 2014-15, and 1,439 gorse fires, a 4% decrease on 2014-15. Community engagement and public awareness campaigns about the consequences of deliberate fire setting carried out by NIFRS has had a positive impact in continuing to reduce the number of gorse fires.



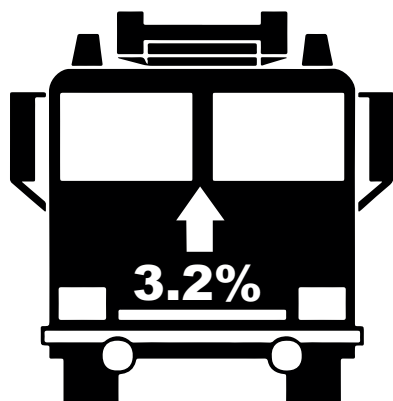
### Road Traffic Collisions

Fire crews attended 730 road traffic collisions (RTCs), a 1.4% increase in RTCs attended compared to 2014-15. 50 people tragically lost their lives at the RTCs attended by NIFRS (75 fatalities on our roads in 2015-16 in total) and Firefighters rescued 561 people trapped in road traffic collisions.



### Special Service Incidents

A special service incident is any incident which is not a Fire or a Road Traffic Collision. This includes flooding and water rescues, collapsed buildings/structures/ large animal rescues/hazardous material incidents/rope rescue etc.



In 2015-16 we attended 1,831 special service incidents, a 3.2% increase on the number of incidents attended in 2014-15. Although there was an increase in the amount of these incidents attended, the fatalities at these incidents reduced by 5.1% with 37 people dying at special service incidents. Firefighters rescued 875 people from special service incidents, an 18.7% increase on 2014-15.

### Anti-Social Behaviour – Hoax Calls, Attacks on NIFRS

The number of hoax calls and mobilisations to hoax calls continues to fall significantly due to the robust Call Management procedures in place which enable the Regional Control Centre personnel to identify these calls. NIFRS also engages with local communities to educate the public about the dangers and consequences of making hoax calls. As a result 20% less hoax calls were received - 1,287 compared to 1,614 in 2014-15 and NIFRS was mobilised to 369 hoax calls, a reduction of 16.5% from the previous year.



During 2015-16 there were 127 attacks on Firefighters. This figure includes all anti-social behaviour such as hostile crowds, verbal abuse, physical attacks such as stone/missile throwing which may or may not cause damage or injury and also includes when Firefighters have had to withdraw from an incident due to the threat of an attack. On 14 occasions either a Firefighter was injured and/or damage was caused to a Fire Appliance which is a welcome 46% decrease on 2014-15. NIFRS has been addressing the issue of attacks on Firefighters through a series of community engagement events and through high profile PR and social media activity and efforts will continue to drive down the number of attacks on Firefighters as even just one attack is one too many.



### Fire Safety Legislation Audits

During 2015-16, NIFRS carried out 3,651 Fire Safety Audits in non-residential premises under the Fire Safety Legislation a 3.3% increase in the number of fire safety audits carried out on the previous year.





## An Overview of our Financial Performance 2015-16

During 2015-16 the opening total of our revenue budget from DHSSPS was £69.8m. Our opening capital budget allocation was £3.4m.

The financial key performance indicator for NIFRS was to achieve by 31 March 2016 the financial breakeven target of 0.25% or £20k (whichever is the greater) of revenue allocation. This target was achieved.

In 2015-16 it cost on average £3,236 for each mobilisation to an emergency incident.

This calculation is based on the total revenue expenditure divided by the number of mobilised incidents in 2015-16.

## Performance Reports – Measuring Our Performance in 2015-16

Our 4 Strategic Objectives encompass all aspects of our service delivery and include our Key Performance Indicators and provide a framework for our corporate and annual business plans. In this section we will review the key achievements and challenges of 2015-16 under each of our Strategic Objectives.



## Review of Strategic Objective 1 Prevention, Protection and Emergency Response

Targeted integration of our prevention, protection and emergency response to have the right resources in the right place at the right time based on our risk profile.

### Major Incidents

Here are a couple of examples of Major Incidents attended by Firefighters throughout the year:

#### Major Fire at a Waste Management Facility, Brickkiln Enviroparc, Derry

Firefighters dealt with a major fire at a Waste Management Facility at Brickkiln Enviroparc, Derry. The fire broke out on 11 November and it took several days to fully extinguish due to the intensity of the fire, the nature of the building and material inside it.



Major fire at Brickkiln Waste Management Facility

The building which was approximately 50m x 30m contained bales of recyclable domestic rubbish. Due to the compact nature of how the bales were stacked within the building the water from the firefighting operation was running off the surface of the bales and was unable to reach the seat of the fire within the building. It was not safe to commit Firefighters to enter the building as it was structurally unsafe. After a couple of days of firefighting the fire had reduced in size and contractors were able to begin demolition of the building to allow

Firefighters better access to the seat of the fire. A large smoke plume lingered over the site for several days with NIFRS advising households and premises to keep windows and doors closed. The fire was extinguished and NIFRS finished at the incident on 19 November 2015.

NIFRS worked closely with the site owners, contractors, NI Environment Agency, Police Service of Northern Ireland, Public Health Agency, Northern Ireland Electricity and Derry City & Strabane District Council throughout the management of this incident. The cause of the fire remains under investigation at the time of publication.

#### House Fire, Bracken Avenue, Newcastle

On Friday 6 November NIFRS received a call at 4:11am to a report of a domestic oil tank on fire at Bracken Avenue, Newcastle. 2 Fire Appliances from Newcastle and one Fire Appliance from Downpatrick Fire Station were deployed to the scene. This was an intense fire, involving 3 oil tanks on fire which spread to several terraced houses. Significant damage was caused to the rear of a number of properties with several houses evacuated. One male in his 30s was treated at the scene by Firefighters and NIAS personnel for smoke inhalation. This was a deliberate fire and thankfully there were no serious injuries.



Deliberate house fire, Bracken Avenue, Newcastle



## Chief Fire Officer Commendations

A Chief Fire Officer Commendation is the highest award within the Fire & Rescue Service and can be awarded for outstanding bravery, teamwork and operational excellence in the face of challenging circumstances.

During 2015-16, the Interim Chief Fire & Rescue Officer, Dale Ashford, awarded a CFO Commendation to the following personnel:

**White Watch, Westland Fire Station, Belfast** received a Chief Fire Officer Commendation for their rescue of a family from a house fire on 2 April 2015.

Firefighters wearing Breathing Apparatus entered the property to firefight and to carry out a search and rescue operation. The fire was intense but Firefighters were able to quickly locate 2 adults and a small child who were rescued and brought outside to safety.



*Westland Firefighters with Interim Chief Fire & Rescue Officer Dale Ashford*

**Firefighter Martin Heatley, White Watch, Regional Control Centre** received a Chief Fire Officer Commendation in recognition of his emergency call handling technique to assist a very distressed occupant of a house fire and also provided first aid advice to the occupant while awaiting the arrival of Fire Crews. Members of White Watch Regional Control Centre were also presented with their Chief Fire Officer Letter of Recognition for their work and support during the same incident.



*Chief Fire Officer Commendation for Crew Commander Martin Heatley and letter of recognition for White Watch*

**Firefighters from Lisburn Fire Station** received a Chief Fire Officer Commendation for their role in the rescue of a woman from the River Lagan on New Year's Day. A member of the public, Darren Hutton, who showed extreme bravery in his efforts to help rescue the woman whom he spotted in the water, was also honoured with a Chief Fire Officer Commendation for outstanding bravery.



*Firefighters from Lisburn Fire Station receive a Chief Fire Officer Commendation*

**Firefighters from Magherafelt, Antrim and Ballymena Fire Stations** received a Chief Fire Officer Commendation for their rescue of a front seat passenger trapped in a vehicle following a serious road traffic collision on 22 December 2015 on the Magheralane Road, Randalstown. The Firefighters received recognition for their exemplary professionalism and rescue techniques by working together in the complex release of the casualty.



**Chief Fire Officer Commendation for Antrim, Ballymena & Magherafelt Firefighters**

### **Managing Our Resources**

In 2015-16 NIFRS reviewed and made several changes to how we manage our operational resources to ensure that we are able to provide the community with the best possible fire and rescue service.

Our aim is to always ensure that the resources we have available to us, our Firefighters, our Fire Appliances and our Equipment are appropriately managed so that we have the right resources, in the right place, at the right time.

As a publicly funded organisation we are required to provide the most effective and efficient fire and rescue service to the people of Northern Ireland and this means continually looking at how and why we do things and making changes when necessary.

Everything we do is based upon protecting our number one priority which is public and Firefighter safety.

### **Resource to Risk Consultation**

NIFRS has undertaken a risk assessment at all 68 Stations in order to manage and match resources to changing risk levels. Consultation has taken place on a number of changes that have been proposed under the Resource to Risk Strategy which would ensure that operational resources can be used more efficiently and effectively.

The risk assessment has clearly identified that in 11 Station areas the risk levels and resources are not effectively matched. Under the proposed new changes NIFRS has identified 4 Station areas which would benefit from additional Wholetime Firefighters whilst at the same time maintaining the Retained Firefighter cover 24/7.



To test this a 6 month pilot scheme commenced in Enniskillen Fire Station in July 2015 with Wholetime Firefighters on Station Monday-Friday 0800-1800 hours to provide enhanced prevention, protection and emergency response, with Retained Firefighters continuing to maintain 24/7 emergency cover. The results of the pilot scheme will be analysed in 2016-17 and will form part of the Resource to Risk consultation.

The risk assessment also identified 7 Station areas which currently have Wholetime Firefighters based in the station 7 days a week, 0730–1930 hours plus Retained Firefighters providing cover 24 hours a day. Under the new proposal these Stations would maintain the Retained cover 24/7 whilst Wholetime Firefighters would be based on Station Monday to Friday, 0800–1800 hours.

NIFRS undertook a comprehensive internal and external public consultation, meeting with all staff at each of the 11 Stations as well as presenting to the local Councils within the Station areas. 30 consultation responses were received and in 2016-17 NIFRS will be considering the consultation responses and producing recommendations on how to proceed.



*Internal consultation with Firefighters on NIFRS Resource to Risk Strategy*

### **Flexible Crewing of the Aerial Platform Appliances**

Following consultation NIFRS introduced flexible crewing of its 3 Aerial Ladder Platform Appliances (ALPs) at Northland, Knock and Springfield Fire Stations.

As part of the consultation exercise, a detailed analysis of incident and response data was gathered to determine the level of impact any change to the crewing arrangements would have on public and Firefighter safety. The level of risk was deemed minimal as the ALPs have a limited number of callouts per year.

The level of resources required to crew them full-time was deemed not a good use of public money and the new arrangement freed up 36 Firefighters who are now better utilised in other areas of the Service to address crewing shortfalls and subsequent operational overtime.

There is no change to the number of ALPs which all remain at the same Fire Stations. The ALPs are now crewed by Firefighters already on duty at those Stations.



*NIFRS Aerial Ladder Platform Appliance*

### Enhanced Flood Response Capability

NIFRS strengthened its Emergency Flood Response capability with 3 new teams comprising a total of 60 additional specially trained personnel based in Omagh, Armagh and Westland Road (Belfast) Fire Stations. The new teams complement existing teams in Derry and Belfast and work alongside partner agencies to ensure a co-ordinated response to serious widespread flooding incidents.

The good geographical spread of teams for deployment across Northern Ireland ensures that NIFRS is best placed to meet its statutory duties in relation to a range of special water rescue and flooding emergencies. In one month alone, December 2015, NIFRS attended 103 flooding incidents and carried out 80 flood rescues following weeks of heavy rainfall.



*NIFRS Flood Response Team in action*

### Health Minister Visits Rathlin Island Fire Station

In August 2015, the Health Minister, Simon Hamilton, visited Rathlin Island and met with Firefighters who live and work on the Island. Now in its 38th year of existence, the current Fire Station on Rathlin holds the unique accolade as the first UK Rescue Station for both the Northern Ireland Fire & Rescue Service and the Maritime Coastguard Agency. There are 14 Firefighters at Rathlin Island who are trained to deal with fires, other emergency incidents and carry out Home Fire Safety Checks and other fire safety work for both the residents who live on Rathlin and the huge number of visitors to the island each year.



*Health Minister Simon Hamilton meets Rathlin Island Firefighters*

### Emergency Planning for Tall Ships Event

NIFRS was heavily involved in the emergency planning for the Tall Ships event which took place in Belfast from 2-5 July 2015. This was another successful global event staged in Northern Ireland with approximately 500,000 visitors over the 4 days. NIFRS brought the Community Safety Vehicle and used the opportunity to provide safety advice to visitors at the event. NIFRS worked closely with partner agencies including Belfast City Council, PSNI and Belfast Harbour Commissioners on the emergency contingency planning to ensure everyone attending the event was safe.



## Fire Safety

In line with our Community Protection Strategy to educate and inform the communities that we serve to reduce risk within domestic premises we provide advice, guidance and where necessary enforcement to ensure public and Firefighter safety within the built environment.

During 2015-16 NIFRS continued to target and monitor those most at risk from fire through ongoing education, community engagement, media and social media campaigns on the broad range of fire safety themes all aimed at protecting the local community.

During 2015-16, Firefighters carried out 5,707 free home fire safety checks, fitted 4,722 smoke alarms and distributed 121,754 fire safety leaflets. They attended 819 Community Engagement events, delivered 251 Safety Talks and undertook 596 schools visits across Northern Ireland.



*Firefighters checking smoke alarm*

## Fire Safety Week

The theme for Fire Safety Week 2015 was the danger of Smoking Materials (cigarettes, matches, other tobacco products) in the home. Smoking materials are the biggest cause of accidental fire deaths in Northern Ireland, accounting for 42% of all accidental fire deaths over the past 5 years (2010-11 to 2014-15).

Tragically there have been 53 accidental fire deaths over the past 5 years and 22 of these were as a direct result of smoking materials.

NIFRS rolled out a new TV, radio and print advertising campaign, which was supported through a high profile PR and social media campaign, to make the public aware of the dangers of smoking materials and how easily and quickly a fire can develop as a result. Our Fire Stations hosted a fire safety advice evening during Fire Safety Week with great public support for the events.

**Never smoke in bed**

**STOP FIRE**

WATCH OUT FOR THE  
**OBVIOUS DANGERS**  
OF SMOKING IN THE HOME

**nifrs.org**

Northern Ireland  
Fire & Rescue Service  
Protecting Our Community

**STOP Fire Campaign**

### People at Risk Strategy

NIFRS launched a public consultation in March 2016 on its People at Risk Strategy which is aimed at identifying and taking practical steps to reduce accidental house fires with a particular emphasis on engaging directly with those most at risk in the community.

The Strategy, which contains proposed changes to how NIFRS defines people at risk, works with partner agencies and targets home fire safety checks towards at risk groups. The consultation closed on 20 May 2016. Consultation responses will be analysed and the People at Risk Strategy finalised so that NIFRS can move forward with protecting those most at risk from the dangers of fire.



*NIFRS Chairperson Carmel McKinney and Assistant Chief Fire Officer Alan Walmsley with Angie McManus and Jimmy the dog in her Belfast home talking about Home Fire Safety Checks*

### Keeping Non-Domestic Premises Fire Safe – Fire Safety Regulations

Throughout 2015-16 Firefighters carried out 3,651 audits on non-domestic premises under the Fire Safety Regulations (2010). Non-domestic, industrial, commercial, leisure, educational and healthcare premises are required to meet the appropriate fire safety standard as detailed in the Fire Safety Regulations.

It is the policy of NIFRS to pro-actively manage fire safety and to seek a reduction

in the number of fires, fire-related deaths and injuries, unwanted fire signals, through the effective and efficient enforcement of all fire safety legislation for which it has responsibility.

Our Fire Safety Inspectors provide information to help owner/managers of non-domestic premises maintain the required standards. Our aim is to educate and inform but, where necessary, we will enforce or ultimately prosecute in cases of non-compliance with the fire safety requirements. In 2015-16 NIFRS issued 4 Enforcement Notices and 4 Prohibition Notices and carried out one Prosecution as a result of repeated failure to comply with the required fire safety standards.

During Fire Safety Week 2015 NIFRS proactively reached out to non-residential premises to remind them of their responsibilities under the Fire Safety Regulations.



*Watch Commander Brendan Doody carried out a Fire Safety inspection at Primark, Omagh with Store Manager Nicky Law.*



## NIFRS Helping Improve Road Safety in Northern Ireland

In 2015-16 Fire crews attended 730 road traffic collisions (RTCs), a 1.4% increase on the previous year. 50 people tragically lost their lives at the RTCs attended by NIFRS (75 fatalities on our roads in 2015-16 in total) and Firefighters rescued 561 people trapped in road traffic collisions. Along with our road safety partners in the Department of the Environment (DOE) Road Safety, PSNI and NI Ambulance Service, we delivered road traffic collision rescue demonstrations to schools, colleges and at community events. During Road Safety Week we held multiple road traffic collision rescue demonstrations targeting young drivers, or young drivers of the future.



*PSNI Assistant Chief Constable Alan Todd, Department of Environment Minister Mark H Durkan and NIFRS Assistant Chief Fire Officer Alan Walmsley launch 2015 Road Safety Week*

Throughout the year we also took part in 16 Roadsafe Roadshows, along with the other emergency services. One of the largest Roadsafe Roadshows took place at Belfast City Hall on 30 September and 1 October 2015 and was supported by the Belfast Policing and Community Safety Partnership (PCSP). The 'It Could Be You' roadshow was aimed at encouraging younger road users to take more care and responsibility on the roads as figures show

that drivers under the age of 25 are more at risk of being killed or injured on our roads.



*Emergency Services and PCSP representatives at the Roadsafe Roadshow, Belfast City Hall*

800 young people from 10 schools and colleges across Belfast witnessed the devastation caused by careless driving in a graphic road traffic collision reconstruction in the grounds of City Hall.



*Belfast City Hall Roadsafe Roadshow Road Traffic Collision Reconstruction*

## Road Safety Awards

Two NIFRS personnel were recognised for their contribution to Road Safety at the NI Road Safety Awards. Station Commander Rory Dumigan received the Lifetime Achievement Award and Station Commander Kieran Doherty won the Emergency Services Person of the Year award.



*Crew Commander Neil Dumigan, Station Commander Kieran Doherty, Station Commander Rory Dumigan, Assistant Chief Fire Officer Alan Walmsley and NIFRS Road Safety Manager Catherine Bloomfield receive their NI Road Safety Awards from Frank Mitchell and Crash Service's Jonathan McKeown*

## Working in Partnership to Improve Fire and Road Safety

Working in partnership with other organisations in the public, private and voluntary sector is very important to help us get our safety messages out to the community and particularly to those most at risk.

NIFRS is a member of the Policing & Community Safety Partnerships (PCSPs) and finds the collaboration opportunities between the emergency services, local councils, government departments and other government agencies extremely beneficial. NIFRS has teamed up with a number of PCSPs throughout the year to promote a number of safety campaigns and initiatives.

The Derry and Strabane PCSP lent their support to NIFRS to deliver the LIFE (Local Intervention Fire Education) Scheme in the area. Local young people completed the

Scheme at Northland Road Fire Station. The 5 day programme aims to help young people get a real understanding of the work Firefighters do for their local community, develop team work, personal responsibility, leadership skills and confidence.



*Northland Road Fire Station LIFE Scheme*

NIFRS also works closely with the 11 newly created Councils in Northern Ireland on a range of community safety issues. In the run up to 11 July Bonfires, NIFRS worked with Councils, local residents, landowners, NI Housing Executive and other agencies to ensure the safety of people building and attending bonfires by providing bonfire safety advice.

NIFRS does not have any enforcement power in relation to the size or location of bonfires and our priority is to protect life and secondly property and if NIFRS is called out to a bonfire related incident it is because someone from the local community is concerned and has called NIFRS for assistance.



## NIFRS Engaging with Young People

### Fire Cadets

The Fire Cadet Scheme is a voluntary youth scheme within NIFRS which aims to provide a varied and interesting programme of Fire Service related activities for young people, from all sections of the community. The Cadets meet one evening per week throughout the school year and activities are designed to be informative, educational and enjoyable and include first aid training, team building and basic Firefighter skills.

In 2015-16 NIFRS ran 6 Fire Cadet Schemes across Northern Ireland in Cookstown, Newry, Bangor, Lisburn, Belfast and Glengormley.



NIFRS Bangor Cadets

### LIFE Schemes

NIFRS run Local Intervention Fire Education (LIFE) Schemes to build a better understanding between young people, aged 13-17 and NIFRS. LIFE Schemes focus on building essential life skills such as teamwork and the need for personal responsibility and helps to develop leadership skills and confidence. The Scheme also looks at fire safety and the problems encountered by NIFRS in relation to hoax calls, arson and attacks on Firefighters, and aims to create a real understanding that the choices people make will shape their own future. During 2015-16 NIFRS ran 4 LIFE Schemes, 2 took place at Northland Fire Station and

one each in Lurgan and Omagh Fire Stations. 43 young people successfully completed the LIFE course. 3 of these Schemes – at Northland, Lurgan and Omagh - were funded by their local Policing Community Safety Partnership.



NIFRS Lurgan LIFE Scheme

### Prince's Trust Programme

NIFRS collaboration with the Prince's Trust continued in 2015-16 with 4 courses involving 39 young people taking place.

The 'Get Started with The Fire Service' is a 5 day course aimed at disadvantaged young people between the ages of 16-25 who are unemployed, giving them the opportunity to gain skills, confidence and motivation. The programme uses the Firefighting theme to inspire young people to take the first step to increase their confidence, skills and employability and as a vehicle for personal development and goal-setting. The programme is targeted at young people who are unemployed, educational underachievers, young offenders or in or leaving care.

The 'Fairbridge' is a 2 day course which works with young people who have experienced school exclusion, homelessness, anti-social behavior, crime, substance misuse and mental health issues. By a combination of one-to-one support and challenging activities, young people can make positive changes in their lives to help them enter education, training or employment.

NIFRS worked with the Prince's Trust and delivered 3 'Fairbridge' courses and one 'Get Started' course.

## Review of Strategic Objective 2 Manage Resources

We will provide a value for money, sustainable service that meets the expectations of our stakeholders.

During the year NIFRS managed its £3.4million Capital Budget across its Capital Projects, Estates Management, Investment in Fleet & Equipment and on ICT infrastructure.

### Capital Investment

NIFRS continued to progress its Capital Investment Programme with work commencing on the planning stage of a new Logistics Support Centre in Belfast. This new facility will provide a state-of-the-art Transport and Equipment Workshop and Stores facility which will support operational service delivery. Planning permission was granted on a site at Boucher Crescent, Belfast, beside the current NIFRS Training Centre. In 2016-17 NIFRS will appoint a contractor and it is anticipated work will commence on site later in the year following DHSSPS confirmation of £2.4million budget for the project.



Visual of NIFRS Logistic Support Centre

## Managing Our Estate

### Organisational Property Asset Strategy

In 2015-16 NIFRS developed an Organisational Property Asset Strategy to support the organisation in the delivery of its operational emergency response by ensuring our estate is fit for purpose. The core requirements of the strategy are to align the size of our estate (79 sites) with identified need, through the re-use and rationalisation of existing buildings or disposal of vacant properties where appropriate.

In view of this objective NIFRS has reduced its leased sites by moving Coleraine District from a leased site in Coleraine into refurbished office accommodation within the existing Portrush Fire Station. Similarly, staff were relocated from a leased office building in Lisburn into NIFRS HQ following the required office reconfiguration in HQ to accommodate the additional staff. Both these measures resulted in budget savings. NIFRS also completed on the sale of the former Fire Station in Omagh now that it is operating from a new build Fire Station in the town.

The Strategy also sets out how NIFRS will reduce recurrent operating costs, with a focus on energy and carbon emissions and details the appropriate funding that is required to address the backlog of maintenance and improvements that are required so that the entire estate is both safe and supports the functional requirements of the Service and staff.



Omagh Community Fire Station



### Break-in and Damage to Larne Fire Station

In March 2016 a significant amount of structural damage was caused to Larne Fire Station following a break-in at the Station and the theft of a Fire Appliance. NIFRS immediately commenced work to ensure the safety of the building and part of the Fire Station has had to be temporarily relocated for safety reasons while repair work is carried out. In 2016-17 this will be a key priority for NIFRS.



*Damage to Fire Appliance following Larne Fire Station break-in*

### Investing in Fire Appliances

NIFRS invested £4million in the purchase of 16 new state-of-the-art Fire Appliances for use across Northern Ireland.

The investment in new Appliances is part of the ongoing Fleet Replacement Strategy to replace older Fire Appliances with new higher specification Fire Appliances which will enhance the operational capability of Firefighters when responding to incidents.

6 All-Terrain Vehicles and 2 Water Tankers were also purchased in-year to enhance NIFRS operational response capability.

## Review of Strategic Objective 3 Support Our People

We will ensure that our people are competent and resourced to perform their job roles and that they are treated with dignity and respect and work in an environment which promotes health and well-being and encourages them to fulfill their potential.

### Recognising and Celebrating the Success of Our Employees

#### NIFRS Employee Awards

The achievements of NIFRS employees, both Operational and Support staff, were recognised in the first ever NIFRS Employee Awards held in November 2015.

The Awards were an opportunity to celebrate the success of our people and to say thank you to them for their hard work, professionalism and commitment. The Employee Award winners are representative of the many individuals and teams from across the organisation who work hard on a daily basis to provide the best possible fire and rescue service to the people of Northern Ireland.



*Store Officer Jackie Childs receives her Employee Award from Chairperson Carmel McKinney and Interim Chief Fire Officer Dale Ashford*

Among the winners were Firefighter Noel McKee from Whitla Fire Station who was awarded the Chief Fire & Rescue Officer's Award for his outstanding fundraising and volunteer charity work throughout his 28 year career as a Firefighter. White Watch, Westland Fire Station, Belfast was awarded a Chief Fire Officer's Commendation for their rescue of a family from a house fire earlier this year.

The Southern Area Command Training and Support Team were awarded the Outstanding Team Achievement Award. The Leaders of the Newry Fire Cadets won the Community Award.

Lorinda-Jill McCoy, Eastern Area Command, Administrative Support and Watch Commander, David Denvir, Portaferry Fire Station were joint winners in the Outstanding Individual Achievement category.



*Newry Cadet Leaders receive their Employee Award from Chairperson Carmel McKinney and Interim Chief Fire & Rescue Officer Dale Ashford*



### Long Service & Good Conduct Awards

60 Operational Staff received the Long Service & Good Conduct Medal for their 20 years' service and were presented their Medal by the Lord Lieutenant for Down, Mr David Lindsay. 11 Support Staff received their Long Service Award for 20 years' service in NIFRS.

### External Awards for NIFRS Employees

NIFRS was delighted that the contribution of a number of employees was recognised in external awards.

Crew Commander Sam Donnell, Crescent Link Fire Station, won the Emergency Services Derry Journal People of the Year Award for his work in establishing the Enhanced Flood Response Capability at Crescent Link, Derry.



Crew Commander Sam Donnell with (left) Group Commander Eamonn Gallagher and Assistant Group Commander Barry McDowell

Crew Commander Clive Hamilton, Regional Control Centre, won the Ulster Star (Lisburn) People of the Year Awards for his leadership role with the Lisburn Fire Cadets and for his Volunteer role as Team Leader with the Fire Emergency Support Service (FESS) based at Cadogan Fire Station.



Regional Control Centre Crew Commander Clive Hamilton

Whitla Fire Station was shortlisted for 'Team of the Year' in the UK-wide Excellence in Fire & Emergency Awards which recognises best practice. They were commended for multiple skills and specialisms including Marine Response, Flood Response, Hazard Material & Environmental Protection, High Volume Pump and Mass Decontamination.



Firefighters from Whitla Fire Station representing key specialisms – mass decontamination / firefighting / wildland fire / water rescue

### World Police & Fire Games 2015

Following on from success of the WPF 2013 which were held in Belfast, 12 representatives from NIFRS attended the World Police and Fire Games in Fairfax, USA and were extremely successful winning 26 of the 27 medals awarded to competitors from Northern Ireland.



A selection of medals won by NIFRS Firefighters at last year's World Police & Fire Games

## Investing in Our People – Recruitment

### Regional Control Centre

6 new Regional Control Centre personnel were appointed in 2015-16 and completed their 9 week training course at NIFRS Headquarters. Following their training the new Firefighters (Control) joined colleagues on one of the 4 Watches to begin their careers as 999 Regional Control Centre personnel. Another 6 new trainees were appointed in 2015-16 and commenced their training in April 2016.



Regional Control Centre

### Community Firefighters – New Daytime Only Contract

Community Firefighters help protect the local community and respond via pager to emergency incidents including fires, road traffic collisions and other specialist service calls such as chemical spills, collapsed buildings and other types of rescues. They also play a crucial role in providing safety advice and assistance in the local community. Community Firefighters are vital as they make up over half the total number of Firefighters in NIFRS.

A major recruitment drive was undertaken for Community Firefighters to work a new day time contract at 13 Stations across Northern Ireland. Under the new Daytime contract Firefighters must be available for at least 40 hours per week, normally between 0800-1800 hours, Monday to Friday, in

order to respond to emergency calls. The Stations recruited for were – Ballymena, Crumlin, Lisburn, Carrickfergus, Lurgan, Newry, Carryduff, Portaferry, Warrenpoint, Newtownards, Ballynahinch, Banbridge and Donaghadee.

In addition, in January 2016, NIFRS recruited for Community Firefighters for 2 additional Stations (Belleek and Clogher) for the standard 120 hours per week availability contracts. In total 20 new Community Firefighters had been appointed by 31 March 2016.

The next phase of Community Firefighter recruitment was launched at the end of March 2016 with NIFRS seeking to recruit for 16 Stations – Antrim, Ballymoney, Carrickfergus, Coleraine, Glengormley, Larne, Whitehead, Ballynahinch, Comber, Donaghadee, Downpatrick, Newtownards, Newtownhamilton, Dungannon, Enniskillen and Limavady.



Graduation – New Retained Firefighters for Southern Area Command

## Equality & Diversity

### Review of Equality & Diversity Strategy 2010-2020

NIFRS carried out a mid-term review of '2020 Vision', our long term Equality & Diversity Strategy for 2010-2020. This was to ensure our strategic focus on equality remains relevant and in tandem with our HR Strategy.



Along with the statutory NIFRS Equality Scheme, 2020 Vision informs our annual objectives and actions on equality. The Strategy contains 5 strategic equality priorities – Leadership and promoting inclusion; Accountability; Effective service delivery and community engagement; Employment and training and also Evaluation and sharing best practice and these give structure to short, medium and long term actions. The mid-term review considered our existing statutory responsibilities, the current and anticipated needs of the community in respect of service delivery, the progress on commitments and actions originally published, and also the organisational needs under the programme of change, restructure and financial efficiencies.

Notably, since the introduction of the Strategy in 2010, a targeted programme of outreach to promote firefighting as a viable career option for women has resulted in NIFRS meeting the 10% applicant and appointee gender recruitment target for Firefighter vacancies.

The review clarified areas of focus going forward:

- 1 Leadership and Promoting Inclusion**  
Output for success – leader-led commitment to set a positive culture during change/restructuring
- 2 Service Delivery and Community Engagement**  
Output for success – quality service provision informed by understanding of community needs/risks and planning
- 3 Employment and Training**  
Output for success – improved workforce composition through reduction in under-representation in applicants and workforce

#### 4 Evaluation and Sharing Best Practice

Output for success – Focus on culture and communication with employees to raise awareness

##### **Business in the Community Gender Project**

NIFRS, along with 11 organisations across Northern Ireland, signed up to the Business in the Community 3 year 'Gender Project'. NIFRS is participating in a Project Trio with PSNI and Translink to collate workplace data in support of a Gender Audit, review workplace practices and share learning. This is in support of fulfilling the aim of the Project to 'increase gender balance and create enabling workplaces for men and women'.



*NIFRS Interim Chief Fire & Rescue Officer Dale Ashford with (left) Business in the Community Chief Executive Roy Adair and Business in the Community Workplace 20:20 Campaign Manager Denise Cranston*

#### **Review of Strategic Objective 4 Effective Governance, Performance and Improvement**

Effective governance, performance management, risk and accountability and that the Service is continually improving to deliver its services economically, effectively and efficiently.

##### **Leadership**

##### **NIFRS Board**

NIFRS is continuing on its journey of organisational change and improvement and good progress has been made during

the year in embedding our robust governance and accountability arrangements. A new Chairperson, Carmel McKinney OBE, was appointed to the NIFRS Board on 1 July 2015 for a 4 year term and 3 new Board Members – Cadogan Enright, Robert Irvine and Peter Martin – took up post on 1 September 2015 for a 4 year term. The NIFRS Board however remains under complement of required Members by 3 which creates additional pressures at Board level.

The NIFRS Board has implemented changes to the Board and Committee structures which have given the organisation increased stability to continue to drive improvements and to operate within the highest standards of governance and accountability.

#### **Corporate Management Team**

The selection process for a Chief Fire & Rescue Officer was not completed in-year but the NIFRS Board will progress with this appointment as a priority in 2016-17. In the meantime, the current Interim Chief Fire & Rescue Officer arrangement in place since 12 May 2015 will continue to provide stability and continuity within the Corporate Management Team.

Within the Corporate Management Team the 3 Assistant Chief Fire Officers (Directors) are in post since May 2015 on a secondment. Once the Chief Fire & Rescue

Officer position is filled the organisation will be able to move forward with the appointment of substantive Assistant Chief Fire Officer positions.

Under NIFRS Organisational Change Management Policy, the Corporate Management Team revised structures within the Finance Directorate and the Planning, Performance and Governance Directorate and consulted with staff and representative bodies. Implementation will take place in 2016-17.

#### **NIFRS remains in Department of Health, Social Services & Public Safety (DHSSPS)**

Under the restructuring of NI Assembly Government Departments it was announced that NIFRS would move from its current sponsoring government department, DHSSPS, to the Department of Justice (DoJ) by March 2016. Work was underway to prepare for this transfer of functions when it was announced in the 'Fresh Start-the Stormont Agreement and Implementation Plan' in November 2015 that NIFRS would in fact remain with DHSSPS.

#### **Feedback from the Public on our Service**

To monitor and measure the public's perception of the service we provided, we carried out a number of Customer Satisfaction Surveys during 2015-16 with excellent results across the board.



*The NIFRS Board*



### Emergency Response & Special Service Incident Surveys

99% of respondents felt that NIFRS either met or exceeded their expectations in relation to overall Customer Satisfaction on our Emergency Response (ER) Service (578 surveys issued, 27% response rate).

Customer Satisfaction on service provision for the Special Service Incidents (SSI) Survey 2015-16, 100% of respondents felt that NIFRS either met or exceeded their expectations in relation to the overall service received at Special Service Incidents (239 surveys issued, 30% response rate).

A total of 83 respondents (SSI = 27, ER = 56) requested that they be added to the NIFRS Consultation database.

A new question was added to 2015-16 questionnaires for both ER and SSI Surveys, requesting that any respondents who would be willing to share their experiences would be added to a case-study bank to be held and utilised by the Corporate Communications Department. In total 74 respondents (SSI = 28, ER = 46) agreed that they would like to tell their story. NIFRS is extremely appreciative of people who are willing to tell their story and help educate others using their own fire safety experiences.

### Fire Safety Audit Inspections

During March 2016 we also conducted a Customer Satisfaction Survey on Fire Safety Audits, issuing questionnaires to a sample of 500 owners/managers of premises who had a Fire Safety Audit Inspection. This survey, once again, demonstrated the high standards of customer service we provide with 99% of respondents expressing satisfaction with our Fire Safety Audit service (500 surveys issued, 32% response rate).

### Comments, Complaints and Appreciations Received

NIFRS records all Comments, Complaints and Appreciations received via our Customer Charter and from other correspondence to NIFRS.

	2014-15	2015-16	Increase/Decrease
Complaints	41	45	+10%
Formal	7	3	-57%
Informal	34	42	+24%
Appreciations	201	217	+8%
Comments/ Queries/ Suggestions	44	54	+23%

NIFRS will investigate all complaints made to us, formal and informal, and we are committed to addressing an individual's dissatisfaction in relation to any element of our service.

From 2016-17 onwards NIFRS will also be recording complaints, comments and appreciations received via our social media channels. During 2015-16 NIFRS expanded its social media reach on Facebook and Twitter and now operates 11 Twitter accounts and 5 Facebook pages. Our social media following is growing every month as we share information with the public about all aspects of the organisation and the service we provide to the public.

Signed: .....

*Accounting Officer*

Date: 28 June 2016 .....

# SECTION TWO

## Accountability Report





## 2.1 Corporate Governance Report

### Directors' Report

#### Organisational Structure

The strategic direction, performance and scrutiny of our organisation is overseen by the 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.

The NIFRS Board is appointed by the Minister for Health, Social Services and Public Safety, and comprises a non-executive Chairperson and 10 non-executive Members, 4 of whom are District Councillors and the remainder are Lay Members. The Chief Fire Officer is also a member of the NIFRS Board.

A number of new appointments were made to the NIFRS Board during 2015-16 as detailed:

#### NIFRS Board Members as at 31 March 2016

**Ms Carmel McKinney** –  
Chairperson – appointed 1 July 2015

**Mr Dale Ashford**  
(Interim Chief Fire & Rescue Officer)

**Mr Alan Hanna**

**Mr Jim Barbour**

**Mr Gordon Smyth**

**Mr Ken Henning**

**Cllr Cadogan Enright** –  
appointed 1 September 2015

**Cllr Robert Irvine** –  
appointed 1 September 2015

**Cllr Peter Martin** –  
appointed 1 September 2015

**Dr Joe McKee** –  
Chairman - tenure ended 30 June 2015

**Mr Tom Wright** –  
resigned 29 April 2015

**Ald Mrs Geraldine Rice** –  
tenure ended 31 August 2015

**Cllr Michael Carr** –  
tenure ended 31 August 2015

**Cllr David Barbour** –  
tenure ended 31 March 2015

**Cllr Adrian Watson** –  
resigned 30 June 2015

#### 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 member, 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 IT, Internal Audit, stores/purchasing, consumable goods, stationery etc to the value of £361,109 during the 2015-16 financial year (2014-15: £301,659).

Mr Wright, a non-executive member (resigned 29 April 2015), declared that he was also a non-executive director for the Health & Safety Executive for Northern Ireland (HSENI). NIFRS has made no payments to HSENI during the 2015-16 financial year.

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

### NIFRS Corporate Management Team

The Corporate Management Team is responsible for the overall management and strategic direction of NIFRS and is accountable to the NIFRS Board.

A number of changes took place within the Corporate Management Team during the year; Dale Ashford, was appointed Interim Chief Fire & Rescue Officer on 12 May 2015 following the resignation of the previous Interim Chief Fire Officer, Chris Kerr in May 2015. The Interim Chief Executive, Jim Wallace, resigned from NIFRS in June 2015 and DHSSPS approved the appointment of Dale Ashford, as Interim Chief Fire & Rescue Officer and Accounting Officer for NIFRS.

#### The Corporate Management Team in place as at 31 March 2016 is:

Interim Chief Fire & Rescue Officer  
**Dale Ashford**

Interim Assistant Chief Fire Officer  
Operations  
**Gary Thompson**

Interim Assistant Chief Fire Officer  
Community Protection  
**Alan Walmsley**

Interim Assistant Chief Fire Officer  
Operational Support  
**Michael Graham**

Director of Human Resources  
**David Moore**

Director of Finance  
**Josephine Kelly**

Director of Planning, Performance &  
Governance  
**Liz Cuddy**

The appointment of a permanent Chief Fire & Rescue Officer is a key priority for the NIFRS Board during 2016-17.

### NIFRS Staff

As at 31 March 2016, NIFRS employed 2,084 people in operational and support roles.

	Total Staff	Male	Female
Uniformed and Non-Uniformed Directors	7	5	2
Wholetime Firefighters	859	834	25
Retained Firefighters	949	922	27
Regional Control Centre Personnel	53	20	33
Support Staff	216	88	128
<b>Totals</b>	<b>2,084</b>	<b>1,869</b>	<b>215</b>



## Pension Obligations

Details of NIFRS Pension Schemes are set out in the Statement of Accounts and in the Statement of Accounting Policies under Section 1.19 Employee Benefits. The pension obligations and liabilities are detailed in Notes 24 and 25 to the Statement of Accounts.

## Personal Data Related Incidents

NIFRS is committed to the control, management and security of information in line with the 8 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 2015/16.

## Charitable Donations

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

## Sustainability

NIFRS is working towards the development of an Environmental Management System in line with ISO 14001. NIFRS has identified opportunities for environmental management improvements across the entire estate.

## 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 notional cost of the audit for the year ended 31 March 2016 which pertained solely to the audit of the Accounts was £39,000. Details are recorded in Note 3 to the Accounts.

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.

## Certificate of Accounting Officer

I certify that the Annual Accounts and Notes to the Accounts (pages 87-126) 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: ..... 28 June 2016 .....

## Statement of Accounting Officer's Responsibilities

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 Interim Chief Fire & Rescue Officer 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 DHSSPS.

## **Governance Statement – NIFRS – 31 March 2016**

### **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 Fire & Rescue Officer of NIFRS, 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 responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety (DHSSPS).

#### **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 Ground Clearing and Accountability Meetings scheduled throughout the year. DHSSPS representatives are also invited to all NIFRS Board and Board Sub-Committee Meetings.



During 2015-16 NIFRS worked with the Business Services Organisation (BSO) in a number of areas as follows:

- BSO Internal Audit provided Internal Audit Services to NIFRS and a Service Level Agreement was in place for the full financial year.
- BSO PaLS provided CoPE expertise to NIFRS and a Service Level Agreement was in place for the full financial year.
- BSO Information Technology Services seconded 2 senior IT officers to NIFRS to carry out a technical review of NIFRS' existing ICT Infrastructure, Systems and Services which they will co-ordinate going forward. A Service Level Agreement for this future service provision is currently being agreed.
- Throughout the year NIFRS reported all suspected or potential frauds through BSO Counter Fraud & Probity Services. NIFRS is currently liaising with BSO Counter Fraud & Probity Services regarding the provision of training in future years.

### 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);
- Northern Ireland Water; and
- Northern Ireland Regional Medical Physics Service (NIRMPS).

NIFRS also has operational partnerships with:

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

All of the above partnerships are fully documented through Memoranda 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; peer review reports; and a series of self-assessment documents covering relevant Controls Assurance areas, and Board and Audit Committee effectiveness.

In March 2015 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.

A robust action plan has been developed from the Board Corporate Governance Questionnaire highlighting the need for action in respect of:

- Appointment of a Head of Service – expected date of completion March 2017;
- Board training and information needs – expected date of completion March 2017;
- Review of organisational structures to ensure fit for purpose – expected date of completion March 2017;
- Chairperson to liaise with Public Appointment Unit regarding Board appointments and management of vacancies – expected date of completion March 2017;
- Review of Governance Framework, key governance documents and related board management processes – expected date of completion September 2016; and

- Development of Board Members and assessment of their contribution to the Board and Committees – expected date of completion March 2017.

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 Ground Clearing and Accountability Meetings and follow-up continues to be provided through DHSSPS 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.

This full suite of governance documents will be reviewed during 2016-17.

In addition, the Assurance Framework, refreshed in December 2015, outlines 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 Fire & Rescue Officer; 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 full Board complement comprises of a Non-Executive Chairman, the Chief Fire & Rescue 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 4 years in line with the guidance of the Commissioner for Public Appointments for Northern Ireland.

The make-up of the NIFRS Board changed as follows during 2015-16:

- The tenure of the former Interim Chief Executive (Mr Jim Wallace) ended on 30 June 2015 and the Interim Chief Fire & Rescue Officer (CFRO Ashford) took up position on 1 July 2015.
- The tenure of the former Chair (Dr McKee) ended on 30 June 2015 and a new Chair (Ms McKinney) took up position on 1 July 2015;
- One lay member left the Board on 29 April 2015;
- 3 elected Members left the Board – one on 30 June 2015 and 2 on 31 August 2015; and
- 3 new elected members took up position on 1 September 2015.

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 relating to 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 Fire & Rescue 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. Whilst Internal Audit highlighted board attendance as a potential issue during 2015-16, all Board meetings were quorate. Attendance at each of the 14 Board Meetings during 2015-16 was as follows:

Board Member	26/05/15	04/06/15*	30/06/15	17/08/15*	24/08/15*	22/09/15*	22/09/15	23/10/15*	24/11/15	26/01/16	23/02/16*	29/02/16*	22/03/16*	22/03/16
Mr J Barbour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓
Cllr M Carr(4)	✓	X	✓	X	✓									
Mr C Enright(5)						X	X	✓	X	X	X	X	✓ (7)	X
Mr A Hanna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓
Mr K Henning MBE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Irvine(5)						✓	✓	X	✓	✓	✓	✓	✓	✓
Mr P Martin(5)						✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr J McKee OBE – Chair(2)	✓	✓	✓											
Ms C McKinney – Chair(3) OBE				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ald G Rice MBE(4)	✓	✓	✓	X	✓									
Mr G Smyth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



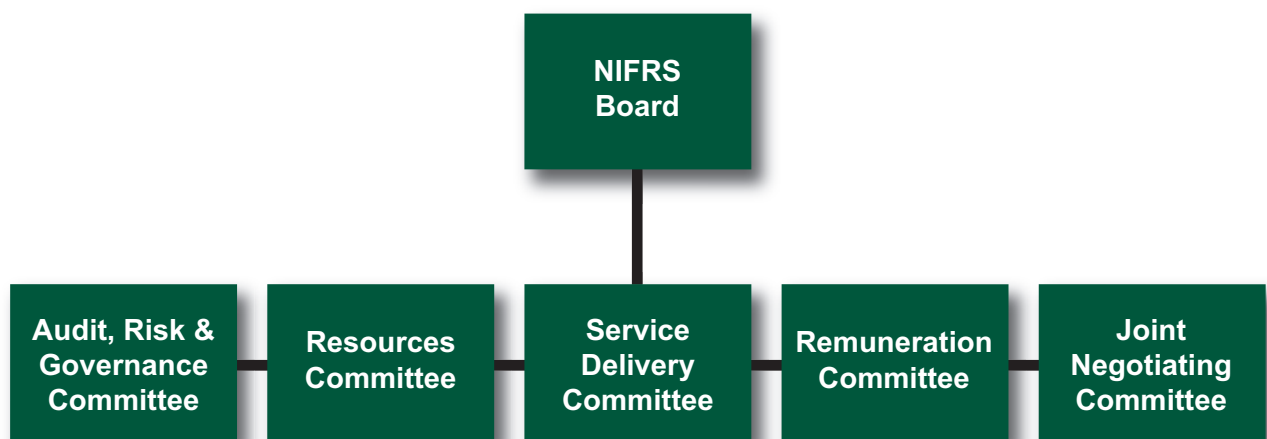
Board Member	26/05/15	04/06/15*	30/06/15	17/08/15*	24/08/15*	22/09/15*	22/09/15	23/10/15*	24/11/15	26/01/16	23/02/16*	29/02/16*	22/03/16*	22/03/16
Cllr A Watson(6)	✓ (7)	X												
Mr T Wright(1)														
Mr D Ashford – CFRO Interim QFSM	✓	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Total Attendees	9	6	8	5	7	7	8	8	8	8	8	6	9	8
Board Size	9	8	8	7	7	8	9	9	9	9	9	9	9	9
% of Total	100	75	100	71	100	88	89	89	89	89	89	67	100	89

- (1) Board Member term ended on 29 April 2015
- (2) Board Chair term ended on 30 June 2015
- (3) Board Chair term commenced on 1 July 2015
- (4) Board Member term ended on 31 August 2015
- (5) Board Member term commenced on 1 September 2015
- (6) Board Member term ended on 30 June 2015
- (7) Not present for full meeting
- \* Special Meeting
- Members met in Closed Session – Interim CFRO not in attendance

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 Members’ annual appraisal. Throughout 2015-16, 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 & Accountability. No exceptions have been recorded.

**Board Committees (to 31 March 2016)**  
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 Fire & Rescue Officer, 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 Ground Clearing and 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 2015-16, no formal mechanism exists for monitoring performance in Board or Committee settings. This issue was identified during development of the draft 2015-16 Board Governance Self-Assessment and the NIFRS Chairperson is currently looking at this issue with a view to implementing a monitoring mechanism by 31 March 2017.

#### Chief Fire & Rescue Officer

The Interim Chief Fire & Rescue Officer 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 Fire & Rescue Officer 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 Interim Chief Fire & Rescue Officer and 6 other directors:

- Director of Operations;
- Director of Community Protection;
- Director of Operational Support;
- 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 the year ended 31 March 2016 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 directorate risk assessments.

The Business Service Organisation (BSO) was appointed as NIFRS' independent Internal Auditor and commenced work on an

agreed Internal Strategy & Plan on 1 April 2014. An Annual Audit Plan is approved by the Audit, Risk & Governance Committee. The Internal Audit processes are managed in line with Public Sector Internal Audit Standards.

3 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 January 2016 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:

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

Plans are in place to address these issues as part of the on-going governance review which will involve a review of all key governance documents and Board information requirements. It is anticipated that this review will be completed by 30 September 2016.

### Role of Business Service Organisation (BSO) Internal Audit

During 2015-16, 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 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 Ground Clearing and 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 5 year period, how it is going to get there and how it measures progress. 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 2015-16, 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 strategic planning process involves:

- 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 was effective from 1 April 2015.

NIFRS use both SWOT and PESTEL 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, Technological, Environmental and Legal 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 2015-16 was generated based on the revised strategic objectives and included DHSSPS ALB Annual Compliance Targets. A final draft Annual Business Plan 2015-16 was

presented to and approved by the NIFRS Board.

Results against targets and performance measures are reported quarterly to the Board using the Balanced Scorecard approach, discussed at quarterly Ground Clearing and Accountability Meetings with DHSSPS and included in the Annual Report at the year end. DHSSPS compliance requirements are reported quarterly using the Red Amber Green (RAG) rating process.

It should be noted that a number of tasks were not completed during 2015-16 as a result of various factors including but not limited to the impact of planning for and delivering in-year efficiency savings whilst also developing budget options for 2016-17; the impact of key vacancies; the outcomes of external consultation processes; and legal challenges made by representative bodies to recruitment processes. Likewise significant time was also spent preparing for a move to the Department of Justice which did not occur. These tasks include:

- Consultation on and implementation of revised emergency response standards.
- Assessment of the effectiveness of Retained appliances including proposals for change.
- Identification of opportunities to enhance the existing Area/District structure.

- Implementation of a targeted programme of prevention and protection activities.
- Implementation of revised processes and procedures for the Estates function.
- Development of policies and procedures in respect of environmental management aimed at reducing greenhouse gas and CO2 emissions.
- Reducing the number of staff days lost to absence.
- Implementation of a new Training and Organisational Development structure.
- Completion of an employee engagement survey and development of a strategy.
- Consultation on and implementation of a Corporate Planning and Performance Framework.
- Review and implementation of a revised NIFRS Corporate Governance Framework.
- Attainment of minimum compliance levels in respect of the Controls Assurance Standards in line with the Department's stated requirements.
- Review Customer Standards and related processes including surveys and complaints.
- Development of a 5 year sensitivity analysis.
- Appointment of a Head of Service.

All outstanding tasks have been rolled forward and included in the 2016-17 Annual Business Plan.





### 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 of uncertainty as an opportunity to gain a benefit e.g. to

change approach;

- 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 Fire & Rescue Officer/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 work 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 2015-16, 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 Corporate Management Team. 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.

An Operations Performance and Assurance Framework has been developed to provide a mechanism to identify and manage risks associated with operational service delivery. It provides a clear structure for reporting risk information and ensures that an adequate system of internal control is in place with regard to operational risk management.

## 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, pension/payroll information, medical information, sickness details, employer/employee relations liability claims and supporting documents for disciplinary/tribunal proceedings); and
- Third parties (home fire safety audits, statutory inspections and invoice payment details);



this information is controlled and managed in line with the 8 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 Fire & Rescue 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 2015-16 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 (i.e. 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 & 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 2015-16, there were no reportable potential data protection breaches.

#### Information Governance

The Information Management Controls Assurance self-assessment 2015-16 was independently verified by BSO Internal Audit who confirmed the limited assurance outcome. This assessment highlighted the following required actions:

- Appoint an appropriate Information Governance Project Manager to ensure achievement of the information governance strategy and to lead on all information governance related projects.
- S75 screen and implement the Draft Information Risk Management Framework.
- Appoint Information Asset owners, data protections leads and information security leads to promote the information governance agenda and provide necessary training.
- Carry out an information audit encompassing all records and develop a register.
- Research, procure and implement an electronic records management system which includes set protocols regarding the creation; naming; filing structure; file/folder referencing; tracking & tracing; and retention & disposal of records.

- Formally adopt draft reporting protocols between the IAOs, DP leads, SIRO, CMT and the Board.
- Generate guidance documents on data protection and security. Communicate the requirements of this guidance to all staff and provide specific training to relevant staff.
- A revised Data Protection Policy encompassing a data protection work programme should be S75 screened and implemented.
- Develop and implement Information Governance Guidelines for contractors and other third parties.
- Review new staff vetting processes and Information Governance training provided.
- Review protocols around subject access requests and provide targeted training.
- Data flow maps should be collated to ensure all information sources and use is identified and that all identified risks are being addressed.
- The feasibility of external data quality checking & verification needs to be addressed.
- Procedures and regular audit cycles for accuracy checks on service user data need to be established.

An action plan has been developed to manage the implementation of all recommendations made in the 2015-16

Information Governance Controls Assurance exercise. The implementation of this action plan will be managed by the recently appointed Information Management Project Lead who had previously managed a similar project within BSO.

### 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) with 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 was drawn out in the Board Self-Assessment and an exercise is to be

undertaken during 2016-17 in terms of Data Quality, both at Board level and organisationally.

In December 2015 a revised Data Quality Policy was implemented which should ensure improvements in the quality of data provision in 2016-17.

### 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;
- Station open days;
- Public consultation exercises;
- Social media interaction; and
- Involvement in Community Safety Partnerships

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 and 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 2016 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 the Senior Management Team (SMT) and 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 comprehensive budget setting and monitoring framework including clearly defined guidelines and responsibilities with frequent reporting of performance to the Resources 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 and Fraud Policies to ensure correct reporting and investigation of suspected fraudulent activities;
- A prioritized ICT Plan developed following a full technical review 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.



## Controls Assurance Standards

NIFRS assessed its compliance with applicable Controls Assurance Standards defined by DHSSPS and against which a degree of progress was expected in 2015-16. The organisation achieved the following levels of compliance for 2015-16:

Standard	DHSSPS Expected Level of Compliance	NIFRS Level of Compliance	Audited by Internal Audit	Change from 2014-15
Buildings, land, plant and non-medical equipment	75% - 99% (Substantive)	62.0% (Moderate)	No	↔
Decontamination of medical devices	75% - 99% (Substantive)		N/A	
Emergency Planning	75% - 99% (Substantive)	83.7% (Substantive)	No	↔
Environmental Cleanliness	75% - 99% (Substantive)		N/A	
Environment Management	75% - 99% (Substantive)	56.0% (Moderate)	No	↔
<b>Financial Management (Core Standard)</b>	75% - 99% (Substantive)	77.9% (Substantive)	Yes	↔
Fire safety	75% - 99% (Substantive)	87.8% (Substantive)	No	↔
Fleet and Transport Management	75% - 99% (Substantive)	87.2% (Substantive)	No	↔
Food Hygiene	75% - 99% (Substantive)	91.0% (Substantive)	No	↔
<b>Governance (Core Standard)</b>	75% - 99% (Substantive)	72.9% (Moderate)	Yes	↔
Health & Safety	75% - 99% (Substantive)	91.0% (Substantive)	No	↔
Human Resources	75% - 99% (Substantive)	76.6% (Substantive)	No	↔
Infection Control	75% - 99% (Substantive)		N/A	
ICT	75% - 99% (Substantive)	75.2% (Substantive)	No	↑
Information Management	75% - 99% (Substantive)	58.9% (Moderate)	Yes	↔
Management of Purchasing	75% - 99% (Substantive)	77.9% (Substantive)	No	↑
Medical Devices and Equipment	75% - 99% (Substantive)		N/A	
Medicines Management	75% - 99% (Substantive)		N/A	
Research Governance	75% - 99% (Substantive)		N/A	
<b>Risk Management (Core Standard)</b>	75% - 99% (Substantive)	79.3% (Substantive)	Yes	↔
Security Management	75% - 99% (Substantive)	55.5% (Moderate)	No	↔
Waste Management	75% - 99% (Substantive)		N/A	

### KEY



Unchanged Assurance



Improving Assurance

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

- Buildings, Land and Equipment;
- Environment Management;
- Governance;
- Information Management; and
- Security Management.

Whilst a positive direction of travel was noted in all instances, when compared to 2014-15 outcomes, a significant improvement (e.g. movements between assurance levels) was only noted in two instances (ICT and Management of Purchasing).

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 11 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, 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) is NIFRS' independent Internal Auditor and provided this service throughout 2015-16.

BSO Internal Audit has had no executive responsibilities within NIFRS during 2015-16 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 2015-16 Internal Audit Plan were carried out as scheduled and outcomes of this assurance work are summarised as follows:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED
<b>Finance Audits:</b>	
Payroll	Satisfactory
Non Pay Expenditure	Satisfactory
Bank and Cash	Satisfactory – Bank and Cash Limited – Imprest Accounts
Budgetary Control	Satisfactory
Travel Expenses & Subsistence	Limited
<b>Corporate Risk Audits:</b>	
Fleet and Associated Equipment Management	Limited
Station Visits	Satisfactory - Information Governance, Vehicle log books, fuel cards and reconciliation of fuel, Attendance Management, Meal Arrangements, Cash handling and training Limited - Asset Management, Personal Protective Equipment
Management of Fuel Usage	Limited
Community Protection Directorate Risk Audit	Limited
Procurement and Management of Contracts	Limited – current procurement and contract management Unacceptable – recently expired cleaning and catering contract
<b>Governance Audits:</b>	
Complaints, Grievances, Whistleblowing and Fraud Processes	Satisfactory
Risk Management	Satisfactory
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 2016, 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/unacceptable assurance opinions in 2015-16 and also the significant and repeat nature of some of these areas, particularly Governance, Procurement & Contract Management. The BSO HIA opinion also takes account of the volume of outstanding recommendations that require further action and failure to achieve substantive compliance with the Governance and Information Management Controls Assurance Standards. As at 31 March 2016, 182 internal audit recommendations remain outstanding, 166 of which were outstanding for more than one year.

Further, the Comptroller & Auditor General (C&AG) has expressed concern regarding the number of outstanding recommendations and whilst not qualifying his audit opinion on the accounts of NIFRS,

he has decided to report on his concerns on a lack of progress in implementing a considerable number of internal audit recommendations, some of which have been outstanding for several years. He states:

“It is not acceptable for recommendations not to be addressed over several years and this may leave the NIFRS vulnerable to risks from the failure of internal control. In the coming year, I hope to see a considerable improvement in addressing the number of outstanding recommendations and I shall continue to monitor this situation.”

During 2015-16, Internal Audit work resulted in a number of new recommendations being added to the recommendations database as follows:



Audit Title, Assurance Level & Number of Priority 1 Findings	Key Recommendations & Actions
Payroll – one priority 1 finding  Satisfactory	<ul style="list-style-type: none"> <li>• Review the medium term viability of payroll IT systems</li> <li>• Establish timely information flows into payroll to prevent overpayments</li> <li>• Review of SMP and paternity leave payment processes</li> <li>• Review of overtime policy &amp; procedures</li> </ul>
Non-Pay Expenditure – two priority 1 findings  Satisfactory	<ul style="list-style-type: none"> <li>• Quantify impact of Agency Worker Legislation</li> <li>• Review key governance documents and financial policies/procedures</li> <li>• Review controls around IT systems and removal of leavers</li> </ul>
Bank & Cash – two priority 1 findings  Satisfactory – Bank & Cash Limited – Imprest Accounts	<ul style="list-style-type: none"> <li>• Increase controls around imprest accounts</li> <li>• Increase controls around mess payments</li> <li>• Implement asset disposal procedures</li> </ul>
Budgetary Control – one priority 1 finding  Satisfactory	<ul style="list-style-type: none"> <li>• Future development of zero-based budgets</li> <li>• Review board reporting processes including savings plans</li> <li>• Review budget control processes and budget holder training</li> </ul>
Travel Expenses & Subsistence – five priority 1 findings  Limited	<ul style="list-style-type: none"> <li>• Implement a revised Travel &amp; Subsistence Policy</li> <li>• Introduce a single claim form for travel &amp; subsistence</li> <li>• Complete a process review and establish an authorization framework</li> <li>• Review the appropriateness of the mileage rates and allowances and entitlement to essential user payments</li> </ul>
Fleet & Associated Equipment Management – three priority 1 findings  Limited	<ul style="list-style-type: none"> <li>• Strengthen controls to ensure that FDO cars are not used for private miles</li> <li>• Review systems/ processes to allow for more effective and timely review of fuel consumption by vehicles</li> <li>• Centralise checks on miles travelled against fuel consumption</li> <li>• Review asset management processes and implement an asset tagging system</li> <li>• Review equipment testing/ inspection processes</li> <li>• Develop a 'live' stock management system</li> </ul>
Station Visits – three priority 1 findings  Satisfactory - Information Governance, Vehicle log books, fuel cards and reconciliation of fuel, Attendance Management, Meal Arrangements, Cash handling and training Limited - Asset Management, Personal Protective Equipment	<ul style="list-style-type: none"> <li>• Review equipment testing / inspection processes</li> <li>• Review asset management processes and implement an asset tagging system</li> <li>• Review the maintenance of PPE registers and the management of PPE across the service</li> <li>• Implement remedial action to address RTC training gaps</li> <li>• Set targets within each category of training</li> <li>• Review the timeliness of attendance management interviews</li> </ul>

Audit Title, Assurance Level & Number of Priority 1 Findings	Key Recommendations & Actions
<p>Management of Fuel Usage – two priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> <li>• Review governance arrangements over fuel management</li> <li>• Develop and disseminate a Vehicle &amp; Ancillary Fuel Policy</li> <li>• Develop KPIs for fuel</li> <li>• Review fuel monitoring processes</li> <li>• Develop a long term strategy for fuel management</li> <li>• Develop and circulate fuel stock checking procedures to all stations with bunkered fuel</li> <li>• Develop year-end fuel stocktaking procedures</li> <li>• Review and strengthen retail fuel processes</li> </ul>
<p>Community Protection Directorate Risk Audit – four priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> <li>• Review and update all existing community protection policies and procedures</li> <li>• Develop a methodology for identifying and prioritising those most in need of community protection intervention</li> <li>• Develop methods to monitor the outcomes of all community protection activities and related KPIs</li> <li>• Fully populate the fire investigation database and develop level 2 fire investigation targets</li> <li>• Develop a consistent approach to monitoring road safety initiatives across the service</li> <li>• Review the fire fatality recording process</li> </ul>
<p>Procurement and Management of Contracts – eight priority 1 findings</p> <p>Limited – current procurement and contract management</p> <p>Unacceptable – recently expired cleaning and catering contract</p>	<ul style="list-style-type: none"> <li>• Ensure a robust and appropriate culture is in place in respect of contract management in NIFRS</li> <li>• Review the processes in place around contract management</li> <li>• Provide contract management training to all contract managers</li> <li>• Establish a stable longer term SLA with an appropriate COPE</li> <li>• Ensure there is an adequate system in place to accurately record and monitor contract expenditure</li> <li>• Develop a robust authorisation framework for all procurement spend</li> <li>• Ensure that Purchase Orders are raised in advance of purchasing</li> <li>• Develop Service Level Agreements for all co-locations</li> <li>• Direct Award Contract documentation should be fully completed and approved in advance of contract commencement</li> </ul>
<p>Complaints, Grievances, Whistleblowing and Fraud – three priority 1 findings</p> <p>Satisfactory</p>	<ul style="list-style-type: none"> <li>• Complaints, Whistleblowing and Fraud training should be provided to all relevant staff</li> <li>• Complaints should be reported to CMT and the NIFRS Board on at least a quarterly basis</li> <li>• Ensure complaint details are logged accurately and completely to enable accurate reporting in relation to complaint targets</li> <li>• Ensure all grievances are resolved on a timely basis</li> <li>• Update grievance policy to define the process to be followed for grievances which have been raised formally but are capable of being resolved informally</li> <li>• Develop and clarify arrangements to deal with all levels of potential fraud reported</li> </ul>



Audit Title, Assurance Level & Number of Priority 1 Findings	Key Recommendations & Actions
Risk Management – two priority 1 findings  Satisfactory	<ul style="list-style-type: none"> <li>• Ensure full Board participation in compiling risk registers</li> <li>• Review reporting formats</li> <li>• Provide risk management training across the service</li> </ul>
Governance – one priority 1 findings  Limited	<ul style="list-style-type: none"> <li>• Review key governance documents</li> <li>• Progress the business improvement agenda</li> <li>• Permanently recruit into senior positions</li> <li>• Fill vacancies on NIFRS Board</li> <li>• Develop action plan from Board Self-Assessment exercise</li> </ul>

Acknowledging that 5 of the 13 audit assignments detailed above resulted in Limited Assurance, and another 3 in partial Limited Assurance or Unacceptable Assurance, I as Accounting Officer, tasked CMT with progressing the implementation of 13 Business Improvement Projects which will address new and outstanding recommendations, irrespective of source.

#### 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, e.g. adequacy of financial records and Governance Statement compliance with 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 a plan to address weaknesses and ensure continuous improvement to the systems is in place.

## 10. Internal Governance Divergences

### Prior Year Issues – Now Closed

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 transport 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 &amp; 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><b>Closed</b> - Following Business Case approval, the development of the Logistics Support Centre moved into the advanced planning stage during 2015-16. Procurement process is to commence in early 2016-17.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	Performance Management No formal performance management structures or systems have been established within NIFRS	Lack of historical investment and prioritisation has resulted in a gap.	A systematic review will be carried out aimed at streamlining NIFRS approach to Performance Management.	<p><b>Closed</b> - Business Performance Management formed part of the structural review of the Planning, Performance &amp; Governance Directorate which was approved by the Resources Committee in April 2016. The final structure is currently being resourced in line with the Organisational Change Policy.</p> <p>In the interim a Corporate Plan 2015-20 and Annual Business Plan 2015-16 were in place by March 2015. A 2016-17 Annual Business Plan has been generated and is currently moving through the final approvals process. 2016-17 Annual Business Plan incorporates the outcomes of a comprehensive Risk Assessment process; outstanding recommendations from external /internal audit; and peer review; and Key and Local Performance Measures. Related Area and Functional Business Plans replicate these linkages. NIFRS' Business Performance Management process revised in line with DHSSPS / Accountability timelines.</p> <p>Corporate Planning &amp; Performance Management Framework currently being finalised.</p>



Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Risk Management</p> <p>Whilst a process is currently in place, it has been noted that some elements of the process need strengthened.</p>	<p>Processes need to be reviewed to ensure the accuracy and validity of risk information going forward.</p>	<p>A review will be carried out aimed at strengthening NIFRS' approach to risk management.</p>	<p><b>Closed</b> – 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 and refreshed in December 2015. Internal Audit carried out an audit in 2015-16 which identified further improvements.</p>
2013-14	<p>Occupational Health Provision</p> <p>The Occupational Health scheme contract expired on 1 July 2012. Whilst limited interim arrangements have been established these may not fully discharge NIFRS' statutory duties with regard to the care of employees.</p>	<p>Delay in establishing the appropriate procurement route.</p>	<p>NIFRS will liaise with DHSSPS regarding a solution going forward.</p>	<p><b>Closed</b> - Occupational Health Scheme business case approved and subject to procurement process.</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<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 the design.</p>	<p>NIFRS will continue to work with its partners to progress this issue.</p>	<p><b>Closed</b> – During 2015-16 the NI Assembly approved the Outline Business Case (OBC) 1 for a revised college proposal. During 2016-17 NIFRS intend to go onto site and commence enabling works including the development of a hot house training facility. In addition the OBC 2 for the Fire Service element of the college will also be developed in 2016-17.</p>
2013-14	<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>A full review of key policies will be undertaken.</p>	<p><b>Closed</b> – During 2015-16 NIFRS developed a Policy Development Framework document which includes standardised formats; processes to be followed in generating a new policy; and timelines for review. This document was S75 screened and will be implemented following Audit, Risk &amp; governance Committee approval. A database has also been developed to monitor new policies and policy revisions. A review of existing policies is on-going and will be completed during 2016-17.</p>

### Prior Year Issues – On-Going

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2008-09	<p>Delivery &amp; 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 &amp; 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 the NIFRS Board and Executive Team working with the Department 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><b>Ongoing</b> - at 31 March 2016 four DID recommendations remain outstanding. Outstanding recommendations are now monitored by the Audit, Risk &amp; Governance Committee.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2017</p>



Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	<p>Issues have been identified in terms of performance, capacity and capability.</p>	<p>A number of process, system and control issues were detected by Internal Audit during their 2012-13 audit of Estates. These combined with budgetary control issues noted in the estates budget at the end of 2012-13 has necessitated a review</p>	<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><b>Ongoing</b> - A structural review of the Estates and Capital Projects functions has been completed as part of the overall Directorate Structural Review. A final structure was approved by the Resources Committee in April 2016 and is currently being resourced in line with the Organisational Change Policy.</p> <p>Concurrently, processes and procedures within the estates function are currently under review and a Business Case has been developed covering a move into a new Measured Term Arrangement via a CPD Framework.</p> <p>An Estates Survey reported in 2014-15 and an Organisational Property Asset Strategy 2015-20 was developed using this base information. This Strategy was S75 screened and approved by the Board in December 2015.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2018</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 was established to address these issues but will need interim Project Manager support.</p>	<p><b>Ongoing</b> - Information Governance formed part of the structural review of the Planning, Performance &amp; Governance Directorate which was approved by the Resources Committee in April 2016. Given the risk around Information Governance, CMT with the support of the Audit, Risk &amp; Governance Committee are assessing the options around immediately resourcing a fixed term Information &amp; Security Management role whilst also taking cognisance of the requirements of the Organisational Change Policy. It is envisaged that the Business Improvement Project around Information Governance will be resourced, by an appropriately skilled person with a proven track record in this area, by mid-May 2016 and that work will progress quickly in this area.</p> <p>In the interim, the Information Management and Governance Working Group has reviewed the existing suite of Strategy/Policy documents including:</p> <ul style="list-style-type: none"> <li>• Information Governance Framework;</li> <li>• Information Governance Strategy &amp; Policy;</li> <li>• Data Quality Policy; and</li> <li>• Data Sharing Protocol;</li> </ul> <p>The refreshed documents were approved by the Audit, Risk &amp; Governance Committee in December 2015.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2019</p>

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	<p><b>Ongoing</b> – A PID has been developed for the Inventory Management Business Improvement Project. The Project is due to commence in early 2016-17 and will take 3-5 years to fully complete.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2018</p>
2014-15	ICT	<p>Issues with:</p> <ul style="list-style-type: none"> <li>Existing business and operational ICT systems; and</li> <li>Internal skills deficit and an inability to link to established IT contracts.</li> </ul>	<p>An independent Technical Review was carried out by BSO IT Department and the resultant report received in October 2014 highlighted a number of de-supported and end of life systems. Likewise a skills deficit within the NIFRS IT Department was also been identified.</p> <ul style="list-style-type: none"> <li>An exercise will be carried out to prioritise recommendations made in the BSO IT Technical Report and to determine a plan going forward.</li> <li>NIFRS are currently discussing this matter with all relevant parties with a view to establishing a workable arrangement agreeable to all parties.</li> <li>Two members of staff were seconded from BSO ITS into senior roles (Head of IT and Senior IT Project Manager) within the NIFRS IT Department.</li> </ul>	<p><b>Ongoing</b> – Following a Technical Review, a prioritized IT Action Plan has been developed and approved at Board level. NIFRS are currently working closely with BSO Information Technology Services (ITS) in the implementation of the Action Plan. A Service Level Agreement for this future service provision is currently being agreed.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2019</p>



Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2014-15	<p>Accommodation Leases</p> <p>Removed delegated authority with respect to office accommodation leases.</p>	<p>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.</p>	<p>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.</p>	<p><b>Ongoing</b> – Accommodation leases for Wallace Studios, Lisburn and Coleraine District have been exited and a SOC for Ballymena District has been submitted to DHSSPS/DFP and is currently under consideration.</p> <p>The lease break period on the Downpatrick &amp; Cookstown leases has now passed and in line with requirements NIFRS has submitted SOCs to DHSSPS. NIFRS are currently responding to queries arising following review of these SOCs.</p> <p>NIFRS also hold a further four accommodation leases which are currently being reviewed in line with PEL 14/04.</p> <p>A process to regularise spend in respect of all leases has been drafted and is with Asset Management Branch for their consideration.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2018</p>

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.	Whilst CMT considers options for future service provision, the established procurement provision remains unchanged and continues to be supported by CoPE arrangements that have been extended to 31 March 2016.	<b>Ongoing</b> – A Procurement Review was carried out by BSO PaLS and a report focusing on procurement processes was provided to NIFRS. The recommendations being considered include full or partial transfer of NIFRS procurement activity to BSO PaLS acting as NIFRS' CoPE. NIFRS are currently liaising with BSO PaLS regarding the future service delivery model.  <b>Timescales for Resolution &amp; Closure</b> – 31 March 2017
2014-15	Pensions Future service provision.	In 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 within the Pensions Department, left NIFRS at the end of February 2015 and no replacement has been appointed.	Whilst CMT negotiate contractual arrangements around future service provision, temporary cover is being provided through the Financial Accountant.	<b>Ongoing</b> – A Business Case for a 2 year pension service provision by BSO was approved in mid 2015-16 at a point when it was envisaged that NIFRS would be moving to DoJ. When it was subsequently announced that NIFRS would be remaining with DHSSPS, a decision was taken to refresh the Business Case to reflect a 5 year pension service provision. In the interim BSO are providing limit support to an in-house service provision. An SLA will be developed during 2016-17 and issues regarding software and licensing will be addressed in the implementation of the SLA.  <b>Timescales for Resolution &amp; Closure</b> – 31 March 2017

## Current Year Issues

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2015-16	<p>CETV Calculation</p> <p>Whistleblowing query re: NIFRS' handling of a CETV calculation error made by a third party contractor engaged by them.</p>	<p>In February 2010 the newly established pensions section detected that a third party contractor had applied incorrect factors to a pension transfer calculation. Further investigation determined that 16 individuals were affected and by December 2011, 14 out of 16 individuals had settled their claim. 1 of the individuals who had yet to settle expressed concern to NIFRS regarding his treatment whilst liaising with the third party contractor. This was raised with the third party who apologised for causing offence. The individual was subsequently instructed to liaise directly with the third party contractor and given the details for the Pensions Ombudsman should he wish to make a formal complaint.</p> <p>Whilst NIFRS engaged and acted on the advice of specialist legal advisors this issue remains unresolved and the individual concerned made a formal whistleblowing complaint to DHSSPS.</p>	<p>BSO Internal Audit is currently investigating this case on behalf of DHSSPS.</p>	<p><b>Ongoing</b> – BSO Internal Audit investigated this case on behalf of DHSSPS. Outcome report currently being finalized.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 31 March 2017</p>
2015-16	<p>Contract Management – expired Catering &amp; Cleaning contracts</p> <p>Issues with the management of contract expenditure.</p>	<p>Through the Whistleblowing process a potential fraud issue was detected in respect of contract management within the now expired catering and cleaning contracts.</p>	<p>As part of the 2015-16 Procurement &amp; Contracts Management Audit BSO Internal Audit was tasked with examining the outworking of these contracts. Issues were detected that are currently under consideration by BSO Counter Fraud &amp; Probity Services.</p>	<p><b>Ongoing</b> – This matter is currently under consideration by BSO Counter Fraud &amp; Probity Services.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 30 September 2016</p>



Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2015-16	<p>Contract Management</p> <p>Minor Works Contract in Estates</p> <p>Issues with respect to the management of a specific minor works contract.</p>	<p>Internal controls identified an issue in respect of the management of a minor works project in Portrush Station. These issues were as follows:</p> <ul style="list-style-type: none"> <li>• A business case for £59k was drafted in August 2015 and approved by CMT;</li> <li>• Works were assigned under a Measured Term Contract (MTC) which allowed contractors to undertake minor works up to a value of £30k (maximum of £50k in exceptional circumstances);</li> <li>• In January 2016 internal checks highlighted that invoices (£186k) received from the contractor for works materially exceeded the approved business case; and</li> <li>• As a result of incorrectly using the MTC, the works were not procured in line with public procurement requirements in that a competitive tendering process was not carried out.</li> </ul> <p>Further a BSO investigation confirmed a breach of procurement rules; financial control issues (accruals); and the need for retrospective Business Case and STA cover.</p>	<p>Upon discovery an internal review commenced to quantify the extent and nature of overruns on this project. The matter was raised with the Accounting Officer who brought it to the Board's attention.</p> <p>A revised Business Case was developed and presented to the Board.</p> <p>BSO Internal Audit conducted an independent review on the matter and produced a report outlining improvements required to prevent recurrence.</p> <p>In tandem with BSO's process review, Central Procurement Directorate Health Projects (CPD-HP), NIFRS Centre of Procurement Excellence (CoPE) for building works reviewed the works completed to ensure that the contractor had (i) completed the works to an appropriate standard; and (ii) charges were in line with the Measured Term Framework which CPD-HP had been instrumental in setting up. CPD-HP was able to provide an independent assurance that the works had been completed to an acceptable standard and that costs incurred were in line with the Framework.</p>	<p><b>Ongoing</b> – A further review into the circumstances around the overrun in this minor works project was ordered by the NIFRS Board. An independent investigator was appointed and a final report has been presented to the Board who are currently considering this document with a view to determining the way forward.</p> <p><b>Timescales for Resolution &amp; Closure</b> – 30 September 2016</p>



Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
			<p>A Single Tender Action (STA) request was also submitted to CPD-HP who amber rated and signed this off as the recognised CoPE.</p> <p>Following completion of all of the above actions the Board approved the revised Business Case and payment was made.</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.

During 2015-16 management reviewed existing processes, and developed a Business Improvement Plan focused on reducing the volume of outstanding recommendations through improved:

- Data Capture & Interrogation;
- Reporting;
- Projects & Internal Support;
- Internal Accountability Mechanisms; and
- Verification Exercises.

13 key project areas have been identified and considered in terms of timelines and key dependencies such as finance, structures and resources. Work has commenced in all 13 project areas and progress is being monitored, via formal written updates, by the Audit, Risk & Governance Committee on a quarterly basis.

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 2015-16.

Accounting Officer: .....

Date: ..... 28 June 2016

## 2.2 Remuneration & Staff Report

### 2.2.1 Remuneration Report

#### 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 2016, the membership of the Remuneration Committee was as follows:

- Ms C McKinney, Chairperson;
- Mr A Hanna; and
- Mr P Martin.

The Committee met on the following occasions during the year ended 31 March 2016:

- 26 May 2015;
- 4 June 2015;
- 10 June 2015
- 25 August 2015;
- 23 October 2015;
- 24 November 2015; and
- 26 January 2016.

The governance arrangements for NIFRS Board consist of a Chairperson, the Interim Chief Fire & Rescue Officer and 10 non-executive Members, 4 of whom are District Councillors nominated by the Northern Ireland Local Government Association (NILGA).



NIFRS is managed by the Corporate Management Team which consists of the Interim Chief Fire & Rescue Officer, 3 Assistant Chief Fire Officers and 3 Support Directors.

#### Remuneration and Pension Interests for the year ended 31 March 2016

Details of the Chairperson's, non-executive Members' and Corporate Management Team's remuneration and pension interests for the year ended 31 March 2016 are set out on the following pages 80 to 88.

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.



### Chairperson, 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	2015-16				2014-15			
	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000
<b>Non-Executive Members</b>								
C McKinney Chairperson (from 01/07/15)	15-20 FYE 25-30	300	-	15-20	-	-	-	-
A Hanna	5-10	-	-	5-10	5-10	-	-	5-10
J Barbour	5-10	-	-	5-10	5-10	-	-	5-10
G Smyth	5-10	300	-	5-10	5-10	200	-	5-10
K Henning	5-10	200	-	5-10	0-5	-	-	0-5
C Enright (from 01/09/15)	0-5 FYE 5-10	-	-	0-5	-	-	-	-
R Irvine (from 01/09/15)	0-5 FYE 5-10	200	-	0-5	-	-	-	-
P Martin (from 01/09/15)	0-5 FYE 5-10	-	-	0-5	-	-	-	-
J McKee Chairperson (to 30/06/15)	5-10 FYE 25-30	700	-	5-10	25-30	1,500	-	25-30

NAME	2015-16				2014-15			
	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000
<b>Non-Executive Members</b>								
D Barbour (to 31/03/15)	-	-	-	-	5-10	100	-	5-10
M Carr (to 31/08/15)	0-5 FYE 5-10	-	-	0-5	5-10	100	-	5-10
G Rice (to 31/08/15)	0-5 FYE 5-10	-	-	0-5	5-10	-	-	5-10
T Wright (to 30/04/15)	0-5 FYE 5-10	-	-	0-5	0-5	-	-	0-5
A Watson (to 30/06/15)	0-5 FYE 5-10	-	-	0-5	0-5	-	-	0-5
S Grant (to 30/09/14)	-	-	-	-	0-5	-	-	0-5
M Kerr (to 30/09/14)	-	-	-	-	0-5	-	-	0-5
C Mack (to 30/09/14)	-	-	-	-	0-5	-	-	0-5



NAME	2015-16				2014-15			
	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000
<b>Executive Members</b>								
<sup>5</sup> D Ashford Chief Fire Officer (Interim)	100-105	300	48,000	145-150	85-90	-	38,000	125-130
<sup>6</sup> M Graham Assistant Chief Fire Officer – Support Services (Temp)	70-75 FYE 85-90	-	29,000	100-105	15-20 FYE 85-90	-	19,000	35-40
<sup>7</sup> A Walmsley Assistant Chief Fire Officer – Support Services (Temp)	75-80 FYE 85-90	-	35,000	110-115	-	-	-	-
<sup>8</sup> G Thompson Assistant Chief Fire Officer – Support Services (Temp)	75-80 FYE 85-90	500	32,000	110-115	-	-	-	-
<sup>9</sup> J Wallace Chief Executive (Interim)	20-25 FYE 90-95	2,400	-	25-30	90-95	10,800	24,000	125-130
<sup>10</sup> C Kerr Chief Fire Officer (Interim)	10-15 FYE 95-100	-	5,000	15-20	95-100	-	19,000	115-120
<sup>11</sup> J Allen Assistant Chief Fire Officer – Support Services (Temp)	-	-	-	-	70-75 FYE 85-90	100	50,000	120-125
J Kelly Director of Finance	65-70	-	31,000	95-100	60-65	-	224,000	285-290

NAME	2015-16				2014-15			
	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	<sup>1</sup> Benefits in Kind (to nearest £100)	<sup>4</sup> Pension Benefits (to nearest £1000)	TOTAL £'000
<b>Executive Members</b>								
D Moore Director of Human Resources	65-70	-	27,000	90-95	60-65	100	14,000	75-80
<sup>12</sup> L Cuddy Director of Planning, Performance, Governance	65-70	-	22,000	85-90	60-65	100	14,000	75-80
<b>Highest Earner's Total Remuneration (£'000)</b>	100-105				95-100			
<b>Median Total Remuneration (£)</b>	29,345				29,054			
<b>Ratio</b>	3.5				3.4			

2015-16						
NAME	2 Accrued pension at age 60/65 as at 31/03/16 and related lump sum £'000	3 Real increase in pension at age 60/65 as at 31/03/16 and related lump sum £'000	CETV at 31/03/16 £'000	CETV at 31/03/15 £'000	Real increase in CETV £'000	
<b>Executive Members</b>						
<b>5 D Ashford</b> Chief Fire Officer (Interim)	50-55	3	1,247	1,187	60	
<b>6 M Graham</b> Assistant Chief Fire Officer – Support Services (Temp)	35-40	2	578	539	39	
<b>7 A Walmsley</b> Assistant Chief Fire Officer – Support Services (Temp)	35-40	2	552	509	43	
<b>8 G Thompson</b> Assistant Chief Fire Officer – Support Services (Temp)	30-35	2	449	410	39	
<b>10 C Kerr</b> Chief Fire Officer (Interim)	60-65	-	1,498	1,490	8	
<b>11 J Allen</b> Assistant Chief Fire Officer – Support Services (Temp)	-	-	-	1,034	-	
<b>J Kelly</b> Director of Finance	25-30	2	171	147	18	
<b>D Moore</b> Director of Human Resources	15-20	2	166	145	13	
<b>12 L Cuddy</b> Director of Planning, Performance, Governance	0-5	1	28	11	11	



## Notes

In 2015/16 NIFRS made 2 payments in respect of backdated salary to two executive members who left the organisation in 2010/11 and 2012/13 respectively. The amounts were £8,567.85 and £34,819.80. They were paid under court order in an out of court settlement. The payments were made through the payroll and pension / HMRC deductions were made accordingly.

There are no entries in respect of pensions for the Chairperson 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 0% increase for 2015/16 (1.2% for 2014/15).
- 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 Appointed to Interim Chief Fire Officer on 12 May 2015 (Assistant Chief Fire Officer prior to this date). 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 2015 and 2016 CETV's have been calculated as if the member were a pensioner.
- 6 Temporary appointment to Corporate Management Team from 1 to 30 April 2015 and from 1 July 2015.
- 7 Temporary appointment to Corporate Management Team from 1 May 2015. CETV at 31 March 2015 is shown for comparative purposes only.
- 8 Temporary appointment to Corporate Management Team from 1 May 2015. CETV at 31 March 2015 is shown for comparative purposes only.
- 9 The Chief Executive was employed directly by NIFRS on 1 April 2014 on a 2 year fixed term contract and resigned on 30 June 2015. As of 1 April 2015 the Chief Executive withdrew from the Local Government Pension Scheme and received a refund of contributions. As such, there are no entries in respect of pensions for the Chief Executive in the table above.
- 10 Retired on 12 May 2015. As such the CETV and Accrued Pension have been calculated as at the date of leaving.
- 11 Temporary appointment to Corporate Management Team from 1 September 2013 to 11 January 2015.
- 12 Employed on an agency basis from 1 April 2014 to 1 June 2014, and appointed to the substantive role on 2 June 2014.

## 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 2015-16 was £100,000-£105,000 (2014-15: £95,000-£100,000). This was 3.5 times the median remuneration of the workforce, which was £29,345 (2014-15: £29,054).

In 2015-16, no employee received remuneration in excess of the highest paid employee. Remuneration ranged from the band £0k-£5k to £100k-£105k (2014-15: £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

The increase in the Highest Paid Director remuneration band between 2014-15 and 2015-16 reflects the additional responsibilities for the Interim Chief Fire Officer following the resignation of the Interim Chief Executive during the year ended 31 March 2016.

## 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 NILGOSC Scheme. This is a statutory scheme that provides benefits on a 'career average revalued earnings' basis from 1 April 2015. Prior to that date benefits were built up on a 'final salary' basis. From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009.

Employees currently pay contributions of between 5.5% - 7.5% of pensionable earnings. From 1 April 2015, employee contribution rates are determined on the actual rate of pay and not the whole-time equivalent rate of pay. Pensions increase annually in line with the Consumer Prices Index. On death, pensions are payable to the surviving spouse, nominated co-habiting partner or civil partner. On death in service, the Scheme will pay a lump sum benefit of three times pensionable pay and will also provide a service enhancement on computation of the spouse's pension. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the Scheme if they are at or over pension age. Pension age is state pension age or age 65 if higher.

## Terms and Conditions

The Directors are employed under National Joint Council for Local Government Services Terms and Conditions. The Chief Executive was employed on a fixed term contract which ended with their resignation on 30 June 2015. 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 Chairperson 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 22.5 times the commuted amount, dependent on age. Members pay contributions of between 11% - 17% depending on their Pension Scheme and 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 two or three times pensionable

pay depending on the Pension Scheme. 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 approximately 80% of the Chief Fire Officer's notional rate (i.e., 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 approximately 75% of the Chief Fire Officer's salary.

## Mileage Allowances

The Uniformed Officers received mileage allowances in the year of 45p per mile.

## 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.

Accounting  
Officer: .....

Date: ..... 28 June 2016

## 2.2.2 Staff Report

<b>STAFF NUMBERS AND RELATED COSTS</b>				
<b>Staff Costs</b>	<b>2016</b>			<b>2015</b>
	<b>Permanently employed staff £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>	<b>Total £'000</b>
Wages & salaries	47,132	840	<b>47,972</b>	<b>47,932</b>
Social security costs	3,172	-	<b>3,172</b>	<b>3,155</b>
Other pension costs	11,211	-	<b>11,211</b>	<b>8,999</b>
<b>Total staff costs reported in Statement of Comprehensive Net Expenditure</b>	<b>61,515</b>	<b>840</b>	<b>62,355</b>	<b>60,086</b>
Staff costs exclude £25,533 charged to capital projects during the year (2015: £23,202)				

## NUMBER OF PERSONS EMPLOYED

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

	2016			2015
	Permanently employed staff £'000	Other £'000	Total £'000	Total £'000
Chairperson	1	-	1	1
Board Members	7	-	7	10
Firefighters (Full-time)	859	-	859	900
Firefighters (Part-time)	948	-	948	969
RCC Personnel	50	-	50	49
Administrative/Manual	204	-	204	211
Agency/Temporary		32	32	40
<b>Total average number of persons employed</b>	<b>2,069</b>	<b>32</b>	<b>2,101</b>	<b>2,180</b>
Less average staff number relating to capitalised staff costs	-1		-1	
<b>Total net average number of persons employed</b>	<b>2,068</b>	<b>32</b>	<b>2,100</b>	<b>2,180</b>



## SENIOR EMPLOYEES' REMUNERATION

Please refer to the Remuneration Report on pages 78 to 88 of the Annual Report.

	2016	2015
<b>Staff Benefits</b>	<b>Total £'000</b>	<b>Total £'000</b>
Staff Benefits	-	-
	-	-

## RETIREMENTS DUE TO ILL-HEALTH

During 2015/16 there were 19 early retirements (2014/15: 16) from NIFRS on the grounds of ill health. The pension liabilities, in respect of the two and four times pensionable pay relating to these ill-health retirees was £745,733 (2014/15: £914,847). The costs borne by the NIFRS Operating Account in 2015/16 in respect of these 19 ill-health retirees was £97,296 (2014/15: £850,232).



## NIFRS STAFF COMPOSITION

As at 31 March 2016, NIFRS employed 2,084 people in operational and support roles. This figure includes staff who have more than one contract with NIFRS.

	Total Staff	Male	Female
Uniformed and Non-Uniformed Directors	7	5	2
Wholetime Firefighters	859	834	25
Retained Firefighters	949	922	27
Regional Control Centre Personnel	53	20	33
Support Staff	216	88	128
<b>Totals</b>	<b>2,084</b>	<b>1,869</b>	<b>215</b>

### Equal Opportunities for NIFRS Staff & Applicants to NIFRS

Northern Ireland Fire and Rescue Service (NIFRS) is an equal opportunities employer. We are committed to making good faith efforts to comply with equality legislation and the principles of fairness in all that we do.

We have adopted the following **NIFRS Equality and Inclusion Statement** to emphasise our commitment to equality of opportunity for all employees and job applicants:

We will promote a good and harmonious working environment in which our employees will be treated with dignity and respect. We will not discriminate unlawfully against or harass any person on the grounds of:

• Gender	• Age	• Disability
• Political opinion	• Sexual orientation	• Gender reassignment
• Pregnancy or maternity	• Marital or Civil Partnership status	• Racial group
• Religious or similar philosophical belief		



**It is our aim to:**

Create an inclusive working environment and culture to maximise the potential of all employees, providing equality of opportunity in all aspects of employment and avoiding unlawful discrimination. NIFRS will not tolerate or condone discrimination, harassment, bullying or victimisation of any individual in our workplace.

**We will:**

- Implement policies, procedures and actions to ensure that we comply with both the letter and spirit of all existing, amended and proposed fair employment, anti-discrimination and equality legislation.
- Endeavour to have a workplace and employment policies and practices that do not unreasonably exclude or disadvantage our employees, or job applicants, who have disabilities. We will comply with the duty to consider reasonable adjustments for persons with disabilities in our workplace and in recruitment.
- Remain committed to a programme of action to ensure that equality and fairness at work takes place and is respected in the workplace. All employees are required to comply with the NIFRS Equality & Inclusion Statement and Equal Opportunities Policy and all other policies supporting equality, inclusion and dignity at work.
- Continue to implement an Equality & Inclusion Statement and Equal Opportunities Policy that applies to all Service users, employees, job applicants, together with anyone working on NIFRS premises including, agency workers, contractors, consultants and suppliers

**NIFRS Staff Policies**

NIFRS has a number of staff policies which have been developed to ensure compliance with legislative requirements, to provide a basis for a consistent approach to all employment matters and to enhance the working experience of all employees. NIFRS staff policies are reviewed on a regular basis and are subject to required consultation.

**Expenditure on Consultancy - NIL**

Off-payroll Engagements / 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 15-16.

	<b>Number of Staff</b>
Off Payroll staff as at 1 April 2015	0
New engagements during the year	0
Number of engagements transferred to payroll	0
Number of engagements that have come to an end during the year	0
Other	0
Off Payroll staff as at 31 March 2016	0



## Exit Packages

Reporting of early retirement and other compensation scheme—exit packages

Exit package cost band	No. of compulsory redundancies		*No. of other departures agreed		Total no. of exit packages by cost band	
	2016	2015	2016	2015	2016	2015
< £10,000	-	-	1	-	1	-
£10,000 - £25,000	-	-	2	-	2	-
£25,001 - £50,000	-	-	-	-	-	-
£50,001 - £100,000	-	-	3	-	3	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-
£250,001 - £300,000	-	-	-	-	-	-
£300,001 - £350,000	-	-	-	-	-	-
£350,001 - £400,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	6	-	6	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	-	-	254	-	254	-

\*Voluntary severance has been paid in accordance with the provisions of the Local Government Pension Scheme Regulations (NI) 2002 as amended and the NIFRS Organisational Change Policy. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses. Where exit packages have been agreed, the additional costs are met by NIFRS. (Ill-health retirement costs are met by the pension scheme and are not included in the table. 2016 – NIL).

### Attendance Management

During 2015-16 the number of working days/shifts lost to sickness absence by our staff was 12.5 days/shifts. Although we did not meet our target of 8 days/shifts lost by March 2016 we can attribute this increase in large part to significant increases in winter health related sickness - viral/respiratory (up 43%), gastric (up 40%) and hospitalisation (up 64%) which resulted in more short and long term absences. The former two causes are mainly short term. Post-operative episodes are normally long term. Despite the increase, NIFRS remains committed to achieving its ambitious target of 7 days/shifts lost per year by 2018 by implementing a number of initiatives to manage staff absences including its attendance management policy, the new Health & Wellbeing Strategy along with an Employee Engagement Survey.

### Health & Wellbeing Strategy

There is mounting evidence to demonstrate the positive link between health and wellbeing initiatives and improved employee performance and engagement. In order to address absence levels, NIFRS has adopted a holistic and integrated approach through the development of the Health & Wellbeing Strategy.

The strategy seeks to support managers,

teams and individuals to make lifestyle improvements; to empower and support employees to take responsibility for their health and wellbeing; to equip managers to lead, promote and support health and wellbeing.

Significant progress has been made in Year 1 with the piloting of individual wellbeing action plans across the organisation and a 'Workbridge Programme' to support rehabilitation following absence. Health & Wellbeing issues have been incorporated into the new performance management system and a range of initiatives and interventions have been piloted including suicide awareness training, wellbeing recovery action planning, resilience training, pre-retirement planning along with health promotion days.

### Training & Development

- **NIFRS Learning & Development Strategy**

The NIFRS Learning & Development Strategy 2015-2020 is based on 4 Strategic Themes all of which are designed to support NIFRS with our core business of protecting our community.

The principle objectives are to achieve:

- 1) **Competent Workforce** – Our people are clear as to what is expected of them in their role and that they are well trained, to ensure they are developed and competent to deliver the tasks they are asked to perform
- 2) **Leadership & People Development** – NIFRS will create a Framework for Leadership and People Development which supports leadership skills development of managers at all levels throughout the organisation

- 3) **Organisational Development** – NIFRS has a highly engaged and motivated workforce, with a performance and customer orientated culture where employees can reach their potential and be recognised for their contribution.
- 4) **Quality & Continuous Improvement** - the learning and development function will provide a high quality service which adds value and delivers tangible benefits to NIFRS and is well respected throughout the organisation and beyond.

- **NIFRS Develops a New Performance Management System**

A new Performance Management System that identifies and reviews the links between an employee's role and work plan to align it with the goals, objectives and strategic plan of NIFRS was reviewed and piloted within HR, Community Development and a number of stations. The new system will ensure that all staff are aware of what is expected of them in their role and that they are trained, resourced, developed and competent to deliver the tasks they are asked to perform. As a result all employees will have an annual performance review and personal development plan. Staff awareness training sessions have been developed outlining key elements of the new system.

- **Training Our People**

Keeping our people safe and well trained is one of our Core Values. Ongoing training, career development and lifelong learning are important in NIFRS to ensure we have the right skill sets within our workforce to deliver our service to the public and to meet organisational objectives.

9,711 training days were delivered to NIFRS staff in 2015-16 across a range of core operational training – Breathing Apparatus, Road Traffic Collision, Fire Appliance Driving & Operation, Incident Command – to other types of training on Community Protection and Fire Safety; Health & Safety and general Management Development and Business Skills. The vast majority of training took place within NIFRS but training was also delivered at the Fire Service College in England, in Scotland with the Scottish Fire & Rescue Service and specialist Wildfire training took place in Spain alongside Firefighters from the Spanish Fire Service.



*NIFRS Firefighters take part in Gorse Fire training in Catalonia, Spain*



## Health & Safety

The health and safety of all NIFRS employees is always the top priority for NIFRS in everything we do and is always the top consideration given to any proposed change in working practice or environment. NIFRS has a Key Performance Indicator with regards to Reportable Accidents and Major Accidents & Injuries with the intention to reduce these figures by 10% and 5% respectively from the 2012/13 baseline.

In 2015-16 there were 21 Reportable Accidents (Baseline figure of 29) and 4 Major Accidents & Injuries (Baseline figure of 2).

NIFRS delivered 193 Training Days on Health & Safety issues to its staff throughout the year and delivered 665 First Aid at Work training days.

## 2.3 Accountability & Audit Report

### Accountability Section:

#### Funding

1. NIFRS is funded on an ongoing basis by DHSSPS.

#### Regularity of Expenditure

2. Each year NIFRS completes the DHSSPS Financial Management Control Assurance assessment, which is audited by BSO. For 2015/16 NIFRS achieved a "Substantive" assurance rating. This achievement illustrates the continued probity and regularity of NIFRS's expenditure.

#### Fees and Charges

3. NIFRS applies a scale of charges for Special Service Calls and incidents attended in the Donegal area. The charges levied are reviewed annually and adjusted in line with the Retail Price Index.

#### Remote Contingent Liabilities

4. As at 31 March 2016 NIFRS has not recognised any remote contingent liabilities.

#### Long-term Expenditure Trends

5. For 2016/17 NIFRS has received an indicative allocation for the one year only. Going forward NIFRS understands a three year allocation will be provided for 2017/18 to 2019/20. NIFRS would welcome a three year allocation as this will aid better financial planning.

#### Financial Environment

6. The financial environment for NIFRS remains challenging, like most public bodies. The challenge for us continues to be to manage with a reduced budget against growing community expectations and against an ever-changing risk profile.

#### Financial Targets

7. In terms of financial targets, as illustrated in Note 34.3 to the Accounts, NIFRS has achieved the financial breakeven target for 2015/16. This was achieved through the establishment of a Savings Plan at the start of the 2015/16 year and careful monitoring thereafter to live within the allocated budget.

#### Investment Strategy and Plans

8. NIFRS's Investment Strategy and Plans going forward will be focused on areas of weakness and historic under investment, namely Information Technology and Estates. Investment in these areas will be progressed over the next three years as risk assessed capital investment priorities are agreed.

#### Gifts

9. During 2015/16 NIFRS made no gifts over the limits prescribed in Managing Public Money Northern Ireland.

### Losses and Special Payments

10. 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.

	2016	2016	2015
	Number of cases	£	£
<b>Losses of Cash or Cash Equivalents</b>			
	-	-	-
<b>Losses arising from overpayments of: Pay, allowances and superannuation benefits</b>	2	239	-
	<b>2</b>	<b>239</b>	-
<b>Losses arising from failure to make adequate charges for the use of public property or service:</b>			
	-	-	-
<b>Losses of Accountable Stores</b>	2	652	-
	<b>2</b>	<b>652</b>	-
<b>Fruitless Payments and Constructive Losses</b>			
Fruitless Payments	-	-	60
	-	-	<b>60</b>
<b>Claims Waived and Abandoned</b>	-	-	-
<b>Special Payments</b>	-	-	-
<b>Total</b>	<b>4</b>	<b>891</b>	<b>60</b>



### Special Payments

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

### Other Payments

There were no other payments made during the year.

### Losses and Special Payments over £250,000

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







## **NORTHERN IRELAND FIRE AND RESCUE SERVICE**

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

I certify that I have audited the financial statements of the Northern Ireland Fire and Rescue Service for the year ended 31 March 2016 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 and Staff Report and the Accountability and Audit Report within the Accountability 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 Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Practices 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 Northern Ireland Fire and Rescue Service's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with 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 parts of the Remuneration and Staff Report and Accountability and Audit Report to be audited have 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 Performance 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 parts of the Remuneration and Staff Report and Accountability and Audit Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's (formerly Department of Finance and Personnel) guidance.

My detailed observations are included in my report attached to the financial statements.

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

*1st July 2016*









# SECTION THREE

## Financial Statements







**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

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

NOTE	2016			2015		
	Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
<b>Non Current Assets</b>						
Property, plant and equipment	89,541	-	89,541	87,571	-	87,571
Intangible assets	536	-	536	630	-	630
<b>Total Non Current Assets</b>	<b>90,077</b>	<b>-</b>	<b>90,077</b>	<b>88,201</b>	<b>-</b>	<b>88,201</b>
<b>Current Assets</b>						
Assets classified as held for sale	-	-	-	170	-	170
Inventories	975	-	975	996	-	996
Trade and other receivables	768	-	768	1,391	-	1,391
Other current assets	396	2,165	2,561	310	2,181	2,491
Cash and cash equivalents	-	197	197	-	2	2
<b>Total Current Assets</b>	<b>2,139</b>	<b>2,362</b>	<b>4,501</b>	<b>2,867</b>	<b>2,183</b>	<b>5,050</b>
<b>Total Assets</b>	<b>92,216</b>	<b>2,362</b>	<b>94,578</b>	<b>91,068</b>	<b>2,183</b>	<b>93,251</b>
<b>Current Liabilities</b>						
Trade and other payables	(5,819)	-	(5,819)	(5,897)	(229)	(6,126)
Cash and cash equivalents	(395)	-	(395)	(748)	-	(748)
Provisions (Insurance)	(1,438)	-	(1,438)	(1,282)	-	(1,282)
Provisions (Compensation Scheme)	(3,040)	-	(3,040)	(2,970)	-	(2,970)
Provisions (Revised Comm Factors)	-	(9)	(9)	-	(1,973)	(1,973)
<b>Total Current Liabilities</b>	<b>(10,692)</b>	<b>(9)</b>	<b>(10,701)</b>	<b>(10,897)</b>	<b>(2,202)</b>	<b>(13,099)</b>
<b>Non Current Assets less Current Liabilities</b>	<b>81,524</b>	<b>2,353</b>	<b>83,877</b>	<b>80,171</b>	<b>(19)</b>	<b>80,152</b>
<b>Non Current Liabilities</b>						
Provisions (Compensation Scheme)	(65,767)	-	(65,767)	(63,701)	-	(63,701)
Pension liabilities - NILGOSC	(8,513)	-	(8,513)	(12,175)	-	(12,175)
Pension liabilities - Firefighters	-	(649,572)	(649,572)	-	(696,833)	(696,833)
<b>Total Non Current Liabilities</b>	<b>(74,280)</b>	<b>(649,572)</b>	<b>(723,852)</b>	<b>(75,876)</b>	<b>(696,833)</b>	<b>(772,709)</b>
<b>Total Assets less Total Liabilities</b>	<b>7,244</b>	<b>(647,219)</b>	<b>(639,975)</b>	<b>4,295</b>	<b>(696,852)</b>	<b>(692,557)</b>
<b>Taxpayers' Equity and Other Reserves</b>						
Revaluation reserve	7,810	-	7,810	6,755	-	6,755
SoCNE reserve	(566)	(647,219)	(647,785)	(2,460)	(696,852)	(699,312)
	<b>7,244</b>	<b>(647,219)</b>	<b>(639,975)</b>	<b>4,295</b>	<b>(696,852)</b>	<b>(692,557)</b>

The notes on pages 108 to 151 form part of these accounts.

The accounts on pages 104 to 151 were approved by the Board on 28th June 2016 and were signed on its behalf by:

Signed: ..... (Chairperson)

Signed: ..... (Interim Chief Fire & Rescue Officer)

Date: 28 June 2016

Date: 28 June 2016



**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2016**

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

	NOTE	2016			2015		
		Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
<b>Cashflows from operating activities</b>							
Net expenditure after interest and tax		(81,998)	(27,774)	(109,772)	(42,449)	(39,605)	(82,054)
Adjustments for non cash costs	3	2,775	-	2,775	3,029	-	3,029
Decrease/(Increase) in trade & other receivables	20	537	16	553	227	(425)	(198)
Decrease/(Increase) in inventories	18	21	-	21	(6)	-	(6)
Decrease in trade payables	21	(78)	(229)	(307)	(2,662)	(108)	(2,770)
(Decrease)/Increase in pension provision - Firefighters' Pension Scheme	25	-	(47,261)	(47,261)	-	55,524	55,524
(Decrease)/Increase in pension provision - NILGOSC	24	(3,662)	-	(3,662)	2,827	-	2,827
Increase/(decrease) in provision - insurance	23	156	-	156	(225)	-	(225)
Increase/(decrease) in provision - compensation	23	2,136	-	2,136	(35,623)	-	(35,623)
(Decrease)/Increase in provision - commutation factors	23	-	(1,964)	(1,964)	-	1,973	1,973
Pension remeasurements	24/25	4,397	73,380	77,777	(2,158)	(21,900)	(24,058)
<b>Net cash outflow from operating activities</b>		<b>(75,716)</b>	<b>(3,832)</b>	<b>(79,548)</b>	<b>(77,040)</b>	<b>(4,541)</b>	<b>(81,581)</b>
<b>Cashflows from investing activities</b>							
Purchase of property, plant & equipment	13.1/13.2	(3,270)	-	(3,270)	(6,173)	-	(6,173)
Purchase of intangible assets	14.1/14.2	(173)	-	(173)	-	-	-
Proceeds on disposal of property, plant & equipment		280	-	280	50	-	50
<b>Net cash outflow from investing activities</b>		<b>(3,163)</b>	<b>-</b>	<b>(3,163)</b>	<b>(6,123)</b>	<b>-</b>	<b>(6,123)</b>
<b>Cash flows from financing activities</b>							
Grant in aid		79,232	4,027	83,259	82,897	4,525	87,422
<b>Net financing</b>		<b>79,232</b>	<b>4,027</b>	<b>83,259</b>	<b>82,897</b>	<b>4,525</b>	<b>87,422</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents in the year</b>		<b>353</b>	<b>195</b>	<b>548</b>	<b>(266)</b>	<b>(16)</b>	<b>(282)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	19	<b>(748)</b>	<b>2</b>	<b>(746)</b>	<b>(482)</b>	<b>18</b>	<b>(464)</b>
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>(395)</b>	<b>197</b>	<b>(198)</b>	<b>(748)</b>	<b>2</b>	<b>(746)</b>

The notes on pages 108 to 151 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

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

NOTE	SoCNE Reserve £'000	Revaluation Reserve £'000	Total £'000	Analysed as follows:		Total £'000
				Operating Account Total £'000	Firefighters Pension Account Total £'000	
<b>Balance at 31 March 2014</b>	<b>(680,665)</b>	<b>5,876</b>	<b>(674,789)</b>	<b>(34,917)</b>	<b>(639,872)</b>	<b>(674,789)</b>
<b>Changes in taxpayers' equity 2014-15</b>						
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)
Actuarial Loss on LGPS Pension	(2,158)	-	(2,158)	(2,158)	-	(2,158)
Actuarial Loss on FF Pension	(21,900)	-	(21,900)	-	(21,900)	(21,900)
Non cash charges - auditors remuneration	(38)	-	(38)	(38)	-	(38)
<b>Balance at 31 March 2015</b>	<b>(699,312)</b>	<b>6,755</b>	<b>(692,557)</b>	<b>4,295</b>	<b>(696,852)</b>	<b>(692,557)</b>
<b>Changes in taxpayers' equity 2015-16</b>						
Grant from DHSSPS	83,259	-	83,259	79,232	4,027	83,259
Transfer between reserves	263	(263)	-	-	-	-
Comprehensive expenditure for the year - Operating	(81,959)	1,318	(80,641)	(80,641)	-	(80,641)
Comprehensive expenditure for the year - Pension	(27,774)	-	(27,774)	-	(27,774)	(27,774)
Actuarial Gain on LGPS Pension	4,397	-	4,397	4,397	-	4,397
Actuarial Gain on FF Pension	73,380	-	73,380	-	73,380	73,380
Non cash charges - auditors remuneration	(39)	-	(39)	(39)	-	(39)
<b>Balance at 31 March 2016</b>	<b>(647,785)</b>	<b>7,810</b>	<b>(639,975)</b>	<b>7,244</b>	<b>(647,219)</b>	<b>(639,975)</b>

The notes on pages 108 to 151 form part of these accounts.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

### NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

#### 1.0 Authority

The accounts have been prepared in a form determined by the 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.

#### 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 (Statement of Asset Valuation Practice) Appraisal and Valuation 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.

NIFRS is of the view that there is a material difference between the 'exit value' and book value of its land and buildings (as shown in the Statement of Financial Position). This is because Fire Stations as shown in the accounts have been valued by LPS on the basis of Current Value in Existing Use, with the method of valuation employed for these specialised assets being depreciated replacement cost (DRC). If NIFRS had to consider the 'exit value' of these assets (see IFRS 13) where they were considered to be non-operational properties surplus to requirements or held for sale with no restrictions on access to the market, LPS advises that these exit values are likely to be materially different from their Current Values in Existing Use as specialised assets (depreciated replacement cost).

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 the 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 "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
Furniture & Fittings	5 - 20
Plant & Machinery	5 - 20
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 and 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 Assets Classified as Held for Sale

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 -1.55% (negative real rate) for 0 up to and including 5 years, -1.00% (negative real rate) after 5 years and up to 10 years and -0.80% (negative real rate) 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 2016. 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 2016 NIFRS operated three Firefighters' Pension Schemes, namely:

- The Firefighters' Pension Scheme (NI) 2006;
- The New Firefighters' Pension Scheme (NI) 2006 (The New Firefighters' Pension Scheme (Amendment) 2015 - Modified Scheme);
- 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, and The Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 respectively, including amendments.

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.

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

SCHEME	ERS RATE 2015/2016	ERS RATE 2016/2017
The Firefighters' Pension Scheme (NI) 2006	31.3%	31.3%
The New Firefighters' Pension Scheme (NI) 2006	18.1%	18.1%
The New Firefighters' Pension Scheme (Amendment) 2015	31.3%	31.3%
The Firefighters' Pension Scheme (NI) 2015 (CARE)	18.8%	18.8%

The Firefighters' Pension Scheme (NI) 2006	EES RATE 2015/2016	EES RATE 2016/2017
Up to £15,301	11.0%	11.0%
£15,302 to £21,422	12.2%	12.2%
£21,423 to £30,603	14.2%	14.2%
£30,604 to £40,804	14.7%	14.7%
£40,805 to £51,005	15.2%	15.2%
£51,006 to £61,206	15.5%	15.5%
£61,207 to £102,010	16.0%	16.0%
£102,011 to £122,412	16.5%	16.5%
More than £122,412	17.0%	17.0%

<b>The New Firefighters' Pension Scheme (NI) 2006</b>	<b>EES RATE 2015/2016</b>	<b>EES RATE 2016/2017</b>
Up to £15,301	8.5%	8.5%
£15,302 to £21,422	9.4%	9.4%
£21,423 to £30,603	10.4%	10.4%
£30,604 to £40,804	10.9%	10.9%
£40,805 to £51,005	11.2%	11.2%
£51,006 to £61,206	11.3%	11.3%
£61,207 to £102,010	11.7%	11.7%
£102,011 to £122,412	12.1%	12.1%
More than £122,412	12.5%	12.5%

<b>The New Firefighters' Pension Scheme (Amendment) 2015</b>	<b>EES RATE 2015/2016</b>	<b>EES RATE 2016/2017</b>
Up to £15,301	11.0%	11.0%
£15,302 to £21,422	12.2%	12.2%
£21,423 to £30,603	14.2%	14.2%
£30,604 to £40,804	14.7%	14.7%
£40,805 to £51,005	15.2%	15.2%
£51,006 to £61,206	15.5%	15.5%
£61,207 to £102,010	16.0%	16.0%
£102,011 to £122,412	16.5%	16.5%
More than £122,412	17.0%	17.0%

<b>The Firefighters' Pension Scheme (NI) 2015 (CARE)</b>	<b>EES RATE 2015/2016</b>	<b>EES RATE 2016/2017</b>
Up to £27,270	10.0%	10.0%
£27,271 to £50,500	12.2%	12.5%
£50,502 to £142,500	13.5%	13.5%
More than £142,500	14.5%	14.5%

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

<b>SCHEME</b>	<b>ERS RATE inc ill health 2015/2016</b>	<b>ERS RATE inc ill health 2016/2017</b>
The Firefighters' Pension Scheme (NI) 2006	34.6%	34.6%
The New Firefighters' Pension Scheme (NI) 2006	23.3%	23.3%
The New Firefighters' Pension Scheme (Amendment) 2015	34.6%	34.6%
The Firefighters' Pension Scheme (NI) 2015 (CARE)	19.8%	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 2016.

The charge to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost<sup>1</sup>, the Past Service Cost<sup>2</sup> and Interest on the defined benefit liability<sup>3</sup>.

Remeasurements<sup>4</sup> 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.

### **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.

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<sup>1</sup> Current Service Cost is the increase in the present value of the scheme liabilities expected to arise from employee service in the current period.

<sup>2</sup> 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.

<sup>3</sup> Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time.

<sup>4</sup> 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.



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 2015/2016	Contribution Rate 2016/2017
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	8.50%	8.50%
More than £85,000	10.50%	10.50%

Employer contribution rates are determined by the Scheme's actuary every 3 years and the 2015/16 rate was set at 20%. The rate for the 2016/17 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 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.

### **1.24 Taxation**

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

### **1.25 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.

### **1.26 Accounting Estimates**

In the preparation of the 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.







### **1.27 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 similar review in NI, which will bring NI departments under the same adaptation, has been carried out but a decision has yet to be made by the Executive. 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.

### **1.28 Events After the Reporting Date**

There were no events after the reporting year end 31 March 2016. The Annual Accounts were authorised for issue on 28 June 2016 by NIFRS Interim Chief Fire & Rescue Officer and Chairperson.



## NOTE 2 - ANALYSIS OF NET EXPENDITURE BY SEGMENT

Within NIFRS, the Board represents the Chief Operating Decision Maker function and holds regular 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 - OPERATING EXPENSES

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Communications equipment	1,129	1,151
Office equipment & running costs	637	775
Medical expenses, subsistence & other	362	356
Transport	1,069	1,277
Operational equipment & maintenance costs	706	850
Premises	3,896	4,163
Uniforms	244	506
Contract catering, kitchen equipment & maintenance	229	448
Rentals under operating leases	430	437
Training	977	1,196
Fire safety publicity	143	204
Auditor remuneration	39	38
Non audit services	113	111
Miscellaneous expenditure	793	627
<b>Non cash items</b>		
Depreciation	6,275	5,530
Amortisation	259	290
Impairments	(3,655)	(2,742)
Gain on disposal of property, plant & equipment (including land)	(104)	(49)
Pension costs - NILGOSC	367	294
Provisions provided for in year	3,564	(34,806)
Cost of borrowing	2,340	4,423
<b>Total</b>	<b>19,813</b>	<b>(14,921)</b>

During the year NIFRS purchased no non audit services from its external auditor (NIAO).



## NOTE 4 - INCOME

### 4.1 Income from Activities

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Provision of fire cover - other bodies	118	112
Fire reports/certificates	16	16
Training courses	24	29
Trade Union Deduction Service	21	22
Loss Prevention Council	176	187
Insurance claims	55	58
Telephone calls	-	5
Other income	136	113
<b>Total</b>	<b>546</b>	<b>542</b>

### 4.2 Deferred Income

This note is not applicable to NIFRS.

### 4.3 Other Income

This note is not applicable to NIFRS.





**FIREFIGHTERS' PENSION SCHEMES (EXCLUDING COMPENSATION SCHEME)****NOTE 5 - CONTRIBUTIONS RECEIVABLE**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Employer	9,074	6,579
Employer contributions - ill health retirements	744	1,154
Employee	6,985	4,875
	<b>16,803</b>	<b>12,608</b>

**NOTE 6 - TRANSFERS IN**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Individual transfers in from other schemes	54	568
	<b>54</b>	<b>568</b>

**NOTE 7 - OTHER PENSION INCOME**

This note is not applicable to NIFRS.

**NOTE 8 - PENSION COST**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Current service cost	19,580	22,210
Past service cost	217	-
	<b>19,797</b>	<b>22,210</b>

**NOTE 9 - ENHANCEMENTS**

This note is not applicable to NIFRS.

**NOTE 10 - TRANSFERS IN - ADDITIONAL LIABILITY**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Individual transfers in from other schemes	54	568
	<b>54</b>	<b>568</b>

**NOTE 11 - INJURY BENEFITS**

This note is not applicable to NIFRS.

**NOTE 12 - INTEREST ON SCHEME LIABILITIES**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Interest charge for the year	24,780	28,030
	<b>24,780</b>	<b>28,030</b>

**NOTE 13 - PROPERTY, PLANT & EQUIPMENT****13.1 Property, Plant & Equipment - year ended 31 March 2016**

<b>Cost or Valuation</b>	<b>Land £'000</b>	<b>Buildings (excluding dwellings) £'000</b>	<b>Assets under Construction £'000</b>	<b>Plant and Machinery (Equipment) £'000</b>	<b>Transport Equipment £'000</b>	<b>Information Technology (IT) and Fittings £'000</b>	<b>Furniture and Fittings £'000</b>	<b>Total £'000</b>
At 1 April 2015	10,899	53,161	3,936	11,922	35,600	1,496	312	117,326
Indexation	180	1,064	-	140	232	(5)	2	1,613
Additions	-	71	625	453	2,042	79	-	3,270
Transfers	-	-	(3,756)	-	3,756	13	-	13
Impairment charged to SoCNE	-	-	-	-	(204)	(2)	-	(206)
Impairment charged to the Revaluation Reserve	-	-	-	-	-	(2)	-	(2)
Reversal of impairments (indexation)	364	3,672	-	-	-	-	-	4,036
Disposals	-	-	-	(701)	(2,155)	(29)	(90)	(2,975)
<b>At 31 March 2016</b>	<b>11,443</b>	<b>57,968</b>	<b>805</b>	<b>11,814</b>	<b>39,271</b>	<b>1,550</b>	<b>224</b>	<b>123,075</b>
<b>Depreciation</b>								
At 1 April 2015	-	3,314	-	6,574	18,435	1,142	290	29,755
Indexation	-	100	-	81	117	(5)	2	295
Transfers	-	-	-	-	-	5	-	5
Impairment charged to SoCNE	-	-	-	-	(136)	(1)	-	(137)
Impairment charged to the Revaluation Reserve	-	-	-	-	-	(2)	-	(2)
Reversal of impairments (indexation)	-	311	-	-	-	-	-	311
Disposals	-	-	-	(700)	(2,149)	(29)	(90)	(2,968)
Provided during the year	-	1,791	-	1,055	3,286	133	10	6,275
<b>At 31 March 2016</b>	<b>-</b>	<b>5,516</b>	<b>-</b>	<b>7,010</b>	<b>19,553</b>	<b>1,243</b>	<b>212</b>	<b>33,534</b>
<b>Carrying Amount</b>								
At 31 March 2016	<b>11,443</b>	<b>52,452</b>	<b>805</b>	<b>4,804</b>	<b>19,718</b>	<b>307</b>	<b>12</b>	<b>89,541</b>
At 31 March 2015	<b>10,899</b>	<b>49,847</b>	<b>3,936</b>	<b>5,348</b>	<b>17,165</b>	<b>354</b>	<b>22</b>	<b>87,571</b>
<b>Asset financing</b>								
Owned	11,443	52,452	805	4,804	19,718	307	12	89,541
<b>Carrying Amount</b>								
At 31 March 2016	<b>11,443</b>	<b>52,452</b>	<b>805</b>	<b>4,804</b>	<b>19,718</b>	<b>307</b>	<b>12</b>	<b>89,541</b>

Any fall in value through negative indexation or revaluation is shown as an impairment.

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 (2015 : £NIL).

**NOTE 13 - PROPERTY, PLANT & EQUIPMENT****13.2 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
<b>Cost or Valuation</b>								
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)
<b>At 31 March 2015</b>	<b>10,899</b>	<b>53,161</b>	<b>3,936</b>	<b>11,922</b>	<b>35,600</b>	<b>1,496</b>	<b>312</b>	<b>117,326</b>
<b>Depreciation</b>								
At 1 April 2014	-	1,836	-	5,598	16,396	1,076	319	25,225
Indexation	-	62	-	106	-	-	-	168
Transfers	-	(246)	-	-	(341)	-	-	(587)
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
<b>At 31 March 2015</b>	<b>-</b>	<b>3,314</b>	<b>-</b>	<b>6,574</b>	<b>18,435</b>	<b>1,142</b>	<b>290</b>	<b>29,755</b>
<b>Carrying Amount</b>								
At 31 March 2015	<b>10,899</b>	<b>49,847</b>	<b>3,936</b>	<b>5,348</b>	<b>17,165</b>	<b>354</b>	<b>22</b>	<b>87,571</b>
At 31 March 2014	<b>10,799</b>	<b>43,910</b>	<b>7,083</b>	<b>4,102</b>	<b>17,028</b>	<b>482</b>	<b>31</b>	<b>83,435</b>
<b>Asset financing</b>								
Owned	10,899	49,847	3,936	5,348	17,165	354	22	87,571
<b>Carrying Amount</b>								
At 31 March 2015	<b>10,899</b>	<b>49,847</b>	<b>3,936</b>	<b>5,348</b>	<b>17,165</b>	<b>354</b>	<b>22</b>	<b>87,571</b>

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 - INTANGIBLE ASSETS****14.1 Intangible Assets - Year ended 31 March 2016**

	Software Licenses £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
<b>Cost or Valuation</b>				
At 1 April 2015	428	1,862	-	2,290
Additions	117	(3)	59*	173
Transfers	(13)	-	-	(13)
At 31 March 2016	<b>532</b>	<b>1,859</b>	<b>59</b>	<b>2,450</b>
<b>Amortisation</b>				
At 1 April 2015	222	1,438	-	1,660
Transfers	(5)	-	-	(5)
Provided during the year	60	199	-	259
At 31 March 2016	<b>277</b>	<b>1,637</b>	<b>-</b>	<b>1,914</b>
<b>Carrying Amount</b>				
At 31 March 2016	<b>255</b>	<b>222</b>	<b>59</b>	<b>536</b>
At 31 March 2015	<b>206</b>	<b>424</b>	<b>-</b>	<b>630</b>
<b>Asset Financing</b>				
Owned	255	222	59	536
<b>Carrying Amount</b>				
At 31 March 2016	<b>255</b>	<b>222</b>	<b>59</b>	<b>536</b>

Any fall in value through negative indexation or revaluation is shown as an impairment.

\* The £59k AUC relates to two software licence projects : (1) E-recruitment system £22k; and (2) Geographic Information System (GIS) upgrade £37k. It is anticipated that both projects will be completed during the 2016/17 year.

**NOTE 14 - INTANGIBLE ASSETS****14.2 Intangible Assets - Year ended 31 March 2015**

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

**NOTE 15 - FINANCIAL INSTRUMENTS**

As the cash requirements of NIFRS are met through Grant-in-Aid provided by the DHSSPS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NIFRS expected purchase and usage requirements and NIFRS is therefore exposed to little credit, liquidity or market risk.

NIFRS did not have any financial instruments at either 31 March 2016 or 31 March 2015

**NOTE 16 - IMPAIRMENTS****Operating Account**

	<b>2016</b>		
	<b>Property Plant &amp; Equipment £'000</b>	<b>Intangibles £'000</b>	<b>Total £'000</b>
Total value of impairments for the year	(3,655)	-	(3,655)
<b>Impairments credited to Statement of Comprehensive Net Expenditure</b>	<b>(3,655)</b>	<b>-</b>	<b>(3,655)</b>

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

**NOTE 17 - ASSETS CLASSIFIED AS HELD FOR SALE**

	Land		Buildings		Vehicles		Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
<b>Cost</b>								
At 1 April	170	-	246	-	341	-	757	-
Transfers in	-	170	-	246	-	342	-	758
Disposals	(170)	-	(246)	-	(341)	(1)	(757)	(1)
At 31 March	-	170	-	246	-	341	-	757
<b>Depreciation</b>								
At 1 April	-	-	246	-	341	-	587	-
Transfers in	-	-	-	246	-	341	-	587
Disposals	-	-	(246)	-	(341)	-	(587)	-
At 31 March	-	-	-	246	-	341	-	587
<b>Carrying amount</b>								
At 31 March 2016	-	-	-	-	-	-	-	-
At 31 March 2015	-	170	-	-	-	-	-	(170)

Assets 'held for sale' comprise assets which are held for sale rather than for continuing use within the business.

At the 2015/16 year end NIFRS had no 'held for sale' assets.

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.



**NOTE 18 - INVENTORIES**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Uniforms	461	491
Firefighting Equipment	184	154
Stationery	38	52
Transport	209	215
Fuel	76	78
Other	7	6
<b>Total</b>	<b>975</b>	<b>996</b>







## NOTE 22 - PROMPT PAYMENT POLICY

### 22.1 Public Sector Payment Policy - Measure of Compliance

DHSSPS requires that NIFRS pay their trade creditors 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:

	<b>2016</b> <b>Number</b>	<b>2016</b> <b>Value</b> <b>£'000</b>	<b>2015</b> <b>Number</b>	<b>2015</b> <b>Value</b> <b>£'000</b>
Total bills paid	<b>10,340</b>	<b>18,576</b>	<b>11,225</b>	<b>26,010</b>
Total bills paid within 30 day target or under agreed payment terms	<b>9,577</b>	<b>17,301</b>	<b>10,475</b>	<b>24,970</b>
% of bills paid within 30 day target or under agreed payment terms	<b>92.6%</b>	<b>93.1%</b>	<b>93.3%</b>	<b>96.0%</b>
Total bills paid within 30 days of receipt of an undisputed invoice	<b>9,693</b>	<b>17,666</b>	<b>10,630</b>	<b>25,248</b>
% of bills paid within 30 days of receipt of an undisputed invoice	<b>93.7%</b>	<b>95.1%</b>	<b>94.7%</b>	<b>97.1%</b>
Total bills paid within 10 day target	<b>8,412</b>	<b>15,039</b>	<b>9,225</b>	<b>22,463</b>
% of bills paid within 10 day target	<b>81.4%</b>	<b>81.0%</b>	<b>82.2%</b>	<b>86.4%</b>

### 22.2 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 (2015: £NIL).



**NOTE 23 - PROVISIONS FOR LIABILITIES AND CHARGES - 2016**

	<b>Insurance £'000</b>	<b>Firefighters' Compensation Scheme £'000</b>	<b>Compensation Commutation factors £'000</b>	<b>Pension Commutation factors £'000</b>	<b>2016 Total £'000</b>
Balance at 1 April 2015	1,282	66,671	-	1,973	<b>69,926</b>
Provided in year	726	-	265	-	<b>991</b>
Provided in year - current service cost	-	1,320	-	-	<b>1,320</b>
Provided in year - past service cost	-	290	-	217	<b>507</b>
Provisions not required written back/changes in underlying assumptions	(257)	1,220	-	-	<b>963</b>
Provision utilised in the year	(313)	(3,034)	(265)	(2,181)	<b>(5,793)</b>
Cost of borrowing	-	2,340	-	-	<b>2,340</b>
At 31 March 2016	<b>1,438</b>	<b>68,807</b>	<b>-</b>	<b>9</b>	<b>70,254</b>

**Analysis of expected timing of discounted flows**

	<b>Insurance £'000</b>	<b>Firefighters' Compensation Scheme £'000</b>	<b>Compensation Commutation factors £'000</b>	<b>Pension Commutation factors £'000</b>	<b>2016 Total £'000</b>
Not later than 1 year	1,438	3,040	-	9	<b>4,487</b>
Later than 1 year and not later than 5 years	-	11,640	-	-	<b>11,640</b>
Later than 5 years	-	54,127	-	-	<b>54,127</b>
At 31 March 2016	<b>1,438</b>	<b>68,807</b>	<b>-</b>	<b>9</b>	<b>70,254</b>



### Insurance Provision

NIFRS operates a policy of limited self insurance and has detailed above a provision of £1,438k (2015 : £1,282k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2016. 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 (1.55%) 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 2016 leading to the provision of £68,807k (2015 : £66,671k) as shown above.

### 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 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. A provision of £1,973k was provided for in 2014/15 and the majority of payments have now been made in 2015/16, with two cases outstanding as at 31 March 2016. No provision has been made for unauthorised payment or scheme sanction charges which, if applicable, will be met by HM Treasury.

### Financial assumptions

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	%	%	%
Discount rate	3.60	3.55	4.35
Price inflation (CPI)	2.20	2.20	2.50
Rate of increase in pensionable salaries	4.20	4.20	4.50
Rate of increase in pensions	2.20	2.20	2.50



**NOTE 23 - PROVISIONS FOR LIABILITIES AND CHARGES - 2015**

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

**Analysis of expected timing of discounted flows**

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



## 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 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 (1.5%) 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.

## Financial assumptions

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	%	%	%
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 - PENSION AND SIMILAR OBLIGATIONS

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 an employer to identify its share of the assets and liabilities on a consistent basis.

### Financial assumptions

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

	2016 %	2015 %	2014 %
Discount rate	3.5	3.2	4.3
Price inflation (CPI)	1.8	1.8	2.4
Rate of increase in pensionable salaries	3.3	3.3	3.9
Pension accounts revaluation rate	1.8	1.8	n/a
Pension increases	1.8	1.8	2.4

### The future life expectancies at age 65 are summarised below:

	2016		2015	
	Males	Females	Males	Females
65 year old current pensioner	22.3 years	24.8 years	22.2 years	24.7 years
45 year old future pensioner at age 65	24.5 years	27.2 years	24.4 years	27.0 years

	Expected rate of return 31 March 2016 % per annum	Assets at 31 March 2016 £'000	Expected rate of return 31 March 2015 % p.a.	Assets at 31 March 2015 £'000
	Equities	71.7%	41,372	73.0%
Bonds	12.1%	6,982	12.2%	6,770
Property	13.2%	7,617	12.6%	6,991
Cash/Other	2.3%	1,327	2.2%	1,221
Unquoted	0.7%	404	0.0%	-
Fair value of scheme assets		57,702		55,486
Present value of funded obligations		(66,215)		(67,661)
Net liability		<b>(8,513)</b>		<b>(12,175)</b>

The Local Government Pension Scheme elements recognised within the Statement of Comprehensive Net Expenditure and the Statement of Financial Position are set out below:

### Amount charged to operating profit

	2016 £'000	2015 £'000
Current service cost	1,760	1,562
Employers contributions	(1,354)	(1,268)
Movement*	(39)	-
	(1,393)	(1,268)
<b>Total operating charge</b>	<b>367</b>	<b>294</b>

**Amount credited to other finance income**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Interest income on assets	(1,786)	(2,100)
Interest expense on defined benefit obligation	2,154	2,475
<b>Net return</b>	<b>368</b>	<b>375</b>

**Amount credited to the Statement of Changes in Taxpayers' Equity**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Return on plan assets below/(in excess of) that recognised in net interest	200	(4,296)
Actuarial (gains) due to liability experience	(417)	(244)
Actuarial (gains)/losses due to changes in financial assumptions	(4,219)	6,698
Movement*	39	-
	<u>(4,597)</u>	<u>6,454</u>
	<b>(4,397)</b>	<b>2,158</b>

**Change in pension assets**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Opening fair value of assets	55,486	48,559
Interest income on assets	1,786	2,100
Contributions by participants	439	409
Contributions by employer	1,354	1,268
Movement*	39	1
	<u>1,393</u>	<u>1,269</u>
Remeasurement (losses)/gains on assets	(200)	4,296
Net benefits paid out	(1,163)	(1,147)
Movement*	(39)	-
	<u>(1,202)</u>	<u>(1,147)</u>
<b>Closing fair value of assets</b>	<b>57,702</b>	<b>55,486</b>

**Change in benefit obligations**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Opening defined benefit obligation	67,661	57,908
Current service cost	1,760	1,562
Interest expense on defined benefit obligation	2,154	2,475
Contributions by participants	439	409
<i>Remeasurements:</i>		
Actuarial (gains) due to liability experience	(417)	(244)
Actuarial (gains)/losses due to changes in financial assumptions	(4,219)	6,698
Movement*	39	-
	<u>(4,597)</u>	<u>6,454</u>
Net benefits paid out	(1,163)	(1,147)
Movement*	(39)	-
	<u>(1,202)</u>	<u>(1,147)</u>
<b>Closing defined benefit obligation</b>	<b><u>66,215</u></b>	<b><u>67,661</u></b>

\* 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.

**NOTE 24 - PENSION AND SIMILAR OBLIGATIONS****Amounts for the current and previous accounting periods**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Fair value of assets	57,702	55,486	48,559	45,042	38,042
Present value of defined benefit obligation	(66,215)	(67,661)	(57,908)	(56,467)	(47,525)
<b>Net Deficit</b>	<b>(8,513)</b>	<b>(12,175)</b>	<b>(9,349)</b>	<b>(11,425)</b>	<b>(9,483)</b>
Experience gains/ (losses) on assets	(200)	4,296	991	4,450	(2,314)
Experience gains/ (losses) on liabilities	417	244	(1,399)	45	(403)
	<b>217</b>	<b>4,540</b>	<b>(408)</b>	<b>4,495</b>	<b>(2,717)</b>
Remeasurement gains/(losses) on assets	(200)	4,296	991	4,450	(2,314)
Remeasurement gains/(losses) on obligation	4,597	(6,454)	1,949	(6,196)	(1,524)
Remeasurement gains/ (losses) recognised in other comprehensive expenditure	<b>4,397</b>	<b>(2,158)</b>	<b>2,940</b>	<b>(1,746)</b>	<b>(3,838)</b>

The projected pension expenses for the year to 31 March 2017, to be charged to the Statement of Comprehensive Net Expenditure in 2017, is shown in the table below.

Projected	31 March 2017
	<b>£'000 of pay</b>
Current service cost	1,662
Interest on obligation	274
<b>Projected pension expense</b>	<b>1,936</b>

**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 2016 of changes in key assumptions:

	<b>Approximate % increase/ (decrease) in liability</b>	<b>Approximate monetary increase/ (decrease) in liability £'000</b>
0.1% decrease in Discount Rate	2.0	1,337
1 year increase in Member Life Expectancy	(2.6)	(1,710)
0.1% decrease in the Salary Increase Rate	(0.6)	(420)
0.1% decrease in the Pension Increase Rate	(1.4)	(895)

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 25 - FIREFIGHTER'S PENSION LIABILITY

As at 31 March 2016, NIFRS operated three Firefighters' Pension Schemes, namely:

The Firefighters' Pension Scheme (NI) 2006;  
The New Firefighters' Pension Scheme (NI) 2006 (The New Firefighters' Pension Scheme (Amendment) 2015 - Modified Scheme);  
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, and The Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 respectively, including amendments.

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:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	%	%	%
Discount rate	3.60	3.55	4.35
Price inflation (CPI)	2.20	2.20	2.50
Rate of increase in pensionable salaries	4.20	4.20	4.50
Rate of increase in pensions	2.20	2.20	2.50

### 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:

	<b>2016</b>		<b>2015</b>	
	Males	Females	Males	Females
65 year old current pensioner	22.3 years	22.3 years	22.5 years	22.5 years
45 year old future pensioner at age 65	24.8 years	24.8 years	25.1 years	25.1 years

**Changes in pension scheme liability**

	Firefighters' Pension Scheme £'000	New Firefighters' Pension Scheme £'000	Firefighters' Pension Scheme (CARE)* £'000	Total 2016 £'000	Total 2015 £'000
Net Deficit at beginning of year	623,118	73,715	-	696,833	641,309
Current service cost	9,800	1,400	8,380	19,580	22,210
Net interest on defined benefit liability	22,000	2,630	150	24,780	28,030
	31,800	4,030	8,530	44,360	50,240
Pension transfers in	-	54	-	54	568
	-	54	-	54	568
Benefits payable	(16,586)	(1,210)	(30)	(17,826)	(16,924)
Pension payments to and on account of leavers	(469)	-	-	(469)	(260)
	(17,055)	(1,210)	(30)	(18,295)	(17,184)
Remeasurements	(45,570)	(28,210)	400	(73,380)	21,900
<b>Net Deficit at end of year</b>	<b>592,293</b>	<b>48,379</b>	<b>8,900</b>	<b>649,572</b>	<b>696,833</b>

\* CARE - Career Average Revalued Earnings.

The Firefighters' Pension Scheme (NI) 2006 and The New Firefighters' Pension Scheme are both closed pension schemes, however, some members of these Schemes have full/partial protection based on their date of birth. Members with no protection were moved to The Firefighters' Pension Scheme (NI) 2015 (CARE) on 1 April 2015 and those with partial protection will move on the appropriate date depending on their age. The CARE Scheme is a Career Average Revalued Earnings Scheme and all new members from 1 April 2015 were automatically enrolled to this Scheme.

**Analysis of amounts recognised in other comprehensive expenditure**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Experience gains	9,440	18,370
Changes in assumptions underlying Retained Settlement	19,980	(15,140)
Changes in financial assumptions	35,280	(68,050)
Changes in other assumptions	8,680	42,920
	<b>73,380</b>	<b>(21,900)</b>

**Analysis of experience gains/(losses)**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Remeasurements in respect of scheme liability	73,380	(21,900)	(62,660)	(50,170)	(5,590)
Experience adjustments	9,440	18,370	2,860	(2,190)	1,020
As % total remeasurements	13%	-84%	-5%	4%	-18%

**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 2016 of changes in these key assumptions.

**The Firefighters' Pension Scheme (NI) 2006**

	<b>Approximate % increase/ (decrease) in Liability</b>	<b>Approximate monetary increase/ (decrease)</b>
	%	£Million
0.5% decrease in Discount Rate	10.3	61
1 year increase in Member Life Expectancy	2.4	14
0.5% increase in the Salary Increase Rate	0.6	3
0.5% increase in the Pension Increase Rate	8.6	51
Each member assumed to retire 1 year earlier than expected	(0.3)	(1.6)

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

**The New Firefighters' Pension Scheme (NI) 2006**

	<b>Approximate % increase/ (decrease) in Liability</b>	<b>Approximate monetary increase/ (decrease)</b>
	%	£Million
0.5% decrease in Discount Rate	13.3	6.5
1 year increase in Member Life Expectancy	1.9	0.9
0.5% increase in the Salary Increase Rate	2.9	1.4
0.5% increase in the Pension Increase Rate	8.2	4.0
Each member assumed to retire 1 year earlier than expected	2.8	1.4

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



### The Firefighters' Pension Scheme (NI) 2015

	Approximate % increase/ (decrease) in Liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% decrease in Discount Rate	18.0	1.6
1 year increase in Member Life Expectancy	1.8	0.2
0.5% increase in the Salary Increase Rate	7.5	0.7
0.5% increase in the Pension Increase Rate	9.6	0.9
Each member assumed to retire 1 year earlier than expected	1.4	0.1

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 Schemes, it does provide an approximation to the sensitivity of the assumptions shown.





**NOTE 26 - CAPITAL COMMITMENTS**

Contracted capital commitments at 31 March 2016 not otherwise included in these financial statements are as follows:

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Property, plant and equipment	203	2,071
Intangible assets	4	-
	<u>207</u>	<u>2,071</u>

**NOTE 27- COMMITMENTS UNDER LEASES****27.1 Operating Leases**

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

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>Land</b>		
Not later than 1 year	382	303
Later than 1 year and not later than 5 years	1,527	1,212
Later than 5 years	19,757	15,983
	<u>21,666</u>	<u>17,498</u>
<b>Buildings</b>		
Not later than 1 year	88	64
Later than 1 year and not later than 5 years	43	82
Later than 5 years	-	-
	<u>131</u>	<u>146</u>
<b>Other</b>		
Not later than 1 year	16	16
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>16</u>	<u>16</u>

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

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Sublease payments	<u>36</u>	<u>48</u>
	<b>36</b>	<b>48</b>
Lease payments recognised as an expense in the period	<u>888</u>	<u>925</u>
	<b>888</b>	<b>925</b>

NIFRS holds only one significant lease in respect of land.

## 27.2 Finance Leases

This note is not applicable to NIFRS.

## 27.3 Operating Leases - Commitments under Lessor Agreements

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

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Obligations under operating leases issued by NIFRS comprise		
<b>Land &amp; Buildings</b>		
Not later than 1 year	15	21
Later than 1 year and not later than 5 years	45	45
Later than 5 years	20	30
	<u>80</u>	<u>96</u>
<b>Other</b>		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>

## NOTE 28 - COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

This note is not applicable to NIFRS.

## NOTE 29 - 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 2015/16 analysed by the period during which the commitment expires are as follows:

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Expires within 1 year	86	95
Expiry after 1 year but not more than 5 years	-	-
Expiry thereafter	-	-
	<u>86</u>	<u>95</u>

## NOTE 30 - FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

NIFRS did not have any financial instruments at 31 March 2016 or 31 March 2015.

## NOTE 31 - 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.

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>Limited Self Insurance</b>		
Public Liability	8	28
Employer Liability	193	89
Vehicle Liability	6	49
Employment Liability	4	-
	<u>211</u>	<u>166</u>

### Self Insurance

NIFRS operates a policy of limited self insurance and has detailed at Note 23 a provision of £1,438k in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2016. While this is the anticipated sum to meet the liability there is potential for a further liability of £211k. NIFRS policy is to vigorously defend all cases.

### Age Discrimination Legal Challenge

A legal challenge was mounted on the potential indirect age discrimination relating to members of the FPS 1992 who had joined the scheme before the age of 20 and who are not able to retire when they have accrued their full 30 years' pension entitlement because they had not reached the age of 50.

The Department of Communities and Local Government (DCLG) have agreed to settle the case. NIFRS are awaiting further direction on the practicalities of implementation and at this juncture would have insufficient information to quantify associated costs.

### 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 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. A provision of £1,973k was provided for in 2014/15 and the majority of payments have now been made in 2015/16, with two cases outstanding. No provision has been made for unauthorised payment or scheme sanction charges which, if applicable, will be met by HM Treasury.

## NOTE 32 - RELATED PARTY TRANSACTIONS

NIFRS is an arms length body of the DHSSPS 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, declared family members were directors of Graham Facility Management. During the year ended 31 March 2016 NIFRS made payments of £8,005 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 £361,109 (2014/15 : £301,659).

Mr Wright, a non-executive director (resigned 30 April 2015), declared that he was also a non-executive director for the Health & Safety Executive. NIFRS have made no payments to HSENI during the 2015/16 financial year (2014/15 : £NIL).

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 33 - THIRD PARTY ASSETS

This note is not applicable to NIFRS.

## NOTE 34 - FINANCIAL PERFORMANCE TARGETS

### 34.1 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:

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
DHSSPS (excludes non cash)	72,684	71,143
Non cash RRL (from the DHSSPS)	9,414	(28,658)
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<b>82,098</b>	<b>42,485</b>

### 34.2 Capital Resource Limit

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

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Gross Capital Expenditure	3,443	6,172
Receipts from sale of fixed assets up to NBV	(176)	-
Net capital expenditure	3,267	6,172
Capital Resource Limit	(3,267)	(6,172)
<b>Overspend/(Underspend) against CRL</b>	<b>-</b>	<b>-</b>



### 34.3 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.

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Net Expenditure	(81,998)	(42,449)
RRL	82,098	42,485
Surplus/(Deficit) against RRL	<u>100</u>	<u>36</u>
Break Even cumulative position (opening)	133	97
Break Even Cumulative position (closing)	<u><u>233</u></u>	<u><u>133</u></u>
<b>Materiality Test:</b>	<b>2016</b> <b>%</b>	<b>2015</b> <b>%</b>
Break Even in year position as % of RRL	<u>0.12</u>	<u>0.08</u>
Break Even cumulative position as % of RRL	<u><u>0.28</u></u>	<u><u>0.31</u></u>

### NOTE 35 - POST BALANCE SHEET EVENTS

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

On 9 May 2016 NIFRS' sponsoring department changed its name from the Department of Health, Social Services & Public Safety (DHSSPS) to the Department of Health (DOH).

### NOTE 36 - CORPORATION TAX

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Corporation Tax	8	(576)
Total	<u><u>8</u></u>	<u><u>(576)</u></u>

### DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these Annual Accounts for issue on 28 June 2016.

## Report by the Comptroller and Auditor General for Northern Ireland Northern Ireland Fire & Rescue Service – Annual Report and Accounts 2015-16

### Introduction

- 1 The Northern Ireland Fire and Rescue Service (NIFRS) is a Non-Departmental Public Body, sponsored by the Department of Health, Social Services and Public Safety (the Department) and has responsibility for providing rescue services across Northern Ireland. In 2015-16, NIFRS incurred expenditure of £127 million.
- 2 While I have not qualified my audit opinion on the accounts of NIFRS, I have decided to report on my concerns on a lack of progress in implementing a considerable number of internal audit recommendations, some of which have been outstanding for several years.

### Background

- 3 One of the recommendations from the Public Accounts Committee Report in October 2013 titled “Report on the NIFRS: An Organisational Assessment and Review of Departmental Oversight and Report on Accounts 2011-2012” was that the Internal Audit function within NIFRS should be strengthened, fully resourced and utilised and the 2013-14 programme of work should be completed. Business Services Organisation (BSO) were subsequently appointed to provide the Internal Audit function from 1 April 2014.

### Internal Audit

- 4 In both 2014-15 and 2015-16 the Head of Internal Audit for NIFRS has given a ‘Limited’ overall opinion in relation to the internal audit work carried out in each year. This assurance level 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’.
- 5 This overall opinion has been given because of a substantial number of ‘Limited’ opinions on specific audit areas examined by internal audit and because of a longstanding delay in addressing specific internal audit recommendations. The results of internal audit reports in the last two years have been:

	2015-16	2014-15
Limited opinion	5	7
Partially limited	3	2
Satisfactory	5	4

- 6 As part of their reports Internal audit will make recommendations for improvement and then agree actions with NIFRS management. There remain large numbers of internal audit recommendations that have not been addressed and several of these have been outstanding for several years, as shown in the table below:

	Partially implemented	Not implemented	Total
2008-09	4	-	4
2010-11	4	-	4
2011-12	5	-	5
2012-13	42	7	49
2013-14	22	4	26
2014-15	73	5	78
2015-16	16	-	16
<b>Total</b>	<b>166</b>	<b>16</b>	<b>182</b>

- 7 Out of these 182 agreed internal audit recommendations there are 66 partially implemented and 6 not implemented that were designated priority 1 recommendations by Internal Audit. A priority 1 issue is defined as one ‘which requires urgent management decision and action without which there is a substantial risk to the achievement of key business/system objectives, to the reputation of the organisation or to the regularity and propriety of public funds.’
- 8 Some of the priority 1 issues identified by Internal Audit include:
  - Poor controls over the operation of cash floats in some Stations;
  - Delays in paying some agency staff;
  - Poor controls over the payments to staff leaving the organisation;
  - Significant concerns over procurement and contract management;
  - Significant concerns over the lack of documentation regarding the use of NIFRS vehicles;
  - A lack of central oversight of fuel management;
  - Timely training has not been provided to NIFRS staff on awareness of fraud, whistleblowing and complaints handling; and
  - Key governance documents being out of date.

## Plans to address outstanding recommendations

9 In my 2014-15 audit I had raised my concerns in my Report to those charged with Governance that the volume and nature of outstanding recommendations posed a continued threat to the governance and control framework of NIFRS and that many would require significant structural change and investment to address. At that stage the number of outstanding recommendations amounted to 235.

10 I remain concerned by the lack of progress in addressing the issues that have been identified by Internal Audit over several years and at the issues that still continue to be identified. It is essential that these issues are addressed urgently. I asked the NIFRS what it is doing to implement the agreed recommendations from Internal Audit and it told me that the Board and Corporate Management Team (CMT) are fully committed to a programme of work that is focussed on dealing with the outstanding audit recommendations. During 2015-16 management reviewed existing processes, and developed a Business Improvement Plan focussed on reducing the volume of outstanding recommendations through improved:

- Data Capture & Interrogation;
- Reporting;
- Projects & Internal Support;
- Internal Accountability Mechanisms; and
- Verification Exercises.

11 In addition, NIFRS has told me that a live recommendations database has been established and fully implemented, which is updated on an on-going basis by Directors or nominated lead officers in each Directorate. Recommendations within the database reflect the outcomes of the Internal Audit verification process and will not be closed until Internal Audit agree that sufficient evidence exists to merit closure.

In collating the recommendations database NIFRS has identified 13 key project areas -

- Contract Management;
- Corporate Communications;
- Estates, Capital & Facilities Management;
- Financial Management;
- Fuel, Vehicle & Equipment Accountability;
- Governance;
- Human Resources Advisory;
- Human Resources Training & Development;
- Information Management;
- Information Technology Management;
- Operations & Community Protection;
- Planning & Performance Management; and
- Stock & Inventory Management

all of which have been considered by relevant lead Directors in terms of timelines and key dependencies such as finance, structures and resources. Work has commenced in all 13 project areas and progress is being monitored, via formal written updates, by the Audit, Risk & Governance Committee on a quarterly basis. Outcomes are also independently validated by Internal Audit at mid-year and year-end.

12 NIFRS has also told me that the aim of these project areas is to address the outstanding issues as quickly as possible. There are some issues which may take longer to implement such as the acquisition of new systems or the implementation of structural changes as there are appropriate processes and approvals which are required before a change is implemented. However the overall aim is to deal with as many outstanding issues within the next financial year.

## Conclusion

13 Agreed actions arising from the recommendations of Internal Audit should be implemented on a timely basis. It is not acceptable for recommendations not to be addressed over several years and this may leave the NIFRS vulnerable to risks from the failure of internal control.

14 In the coming year, I hope to see a considerable improvement in addressing the number of outstanding recommendations and I shall continue to monitor this situation.

KJ Donnelly  
Comptroller and Auditor General  
1 July 2016

Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU



