



**Northern Ireland
Fire & Rescue Service**

Protecting Our Community

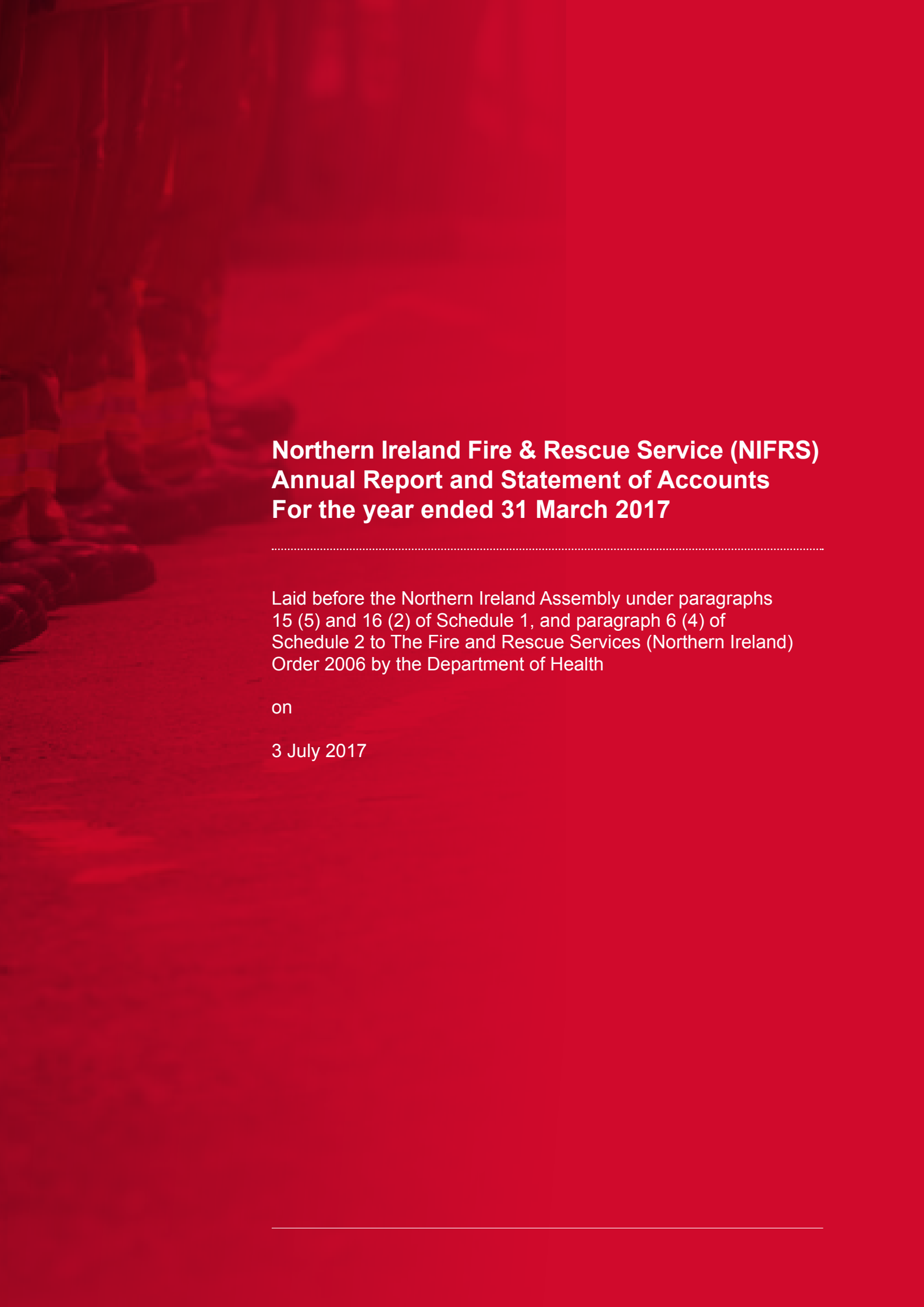


Annual Report and Statement of Accounts

2016-17



Front Cover Image: © Kevin Scott, Belfast Telegraph



**Northern Ireland Fire & Rescue Service (NIFRS)
Annual Report and Statement of Accounts
For the year ended 31 March 2017**

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

on

3 July 2017



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Introduction by Carmel McKinney, OBE Chairperson, NIFRS Board



“Looking ahead to 2017-18 there will undoubtedly be challenging times ahead – not least due to the challenging financial constraints and political uncertainty. However I remain confident and committed to providing a fire and rescue service which is focused on keeping people safe and protecting and rescuing people in need.”

CARMEL MCKINNEY, OBE

Chairperson, NIFRS Board

On behalf of the Northern Ireland Fire & Rescue Service (NIFRS) Board I am pleased to present the Annual Report and Statement of Accounts for 2016-17.

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. As a Board, we report to the Department of Health on issues of governance and accountability.

Much progress has been made in the past year. A key priority was the appointment of a substantive Head of Service and it was a great privilege to appoint Gary Thompson as Chief Fire & Rescue Officer. He took up his post on 7 November 2016 and his appointment provides additional stability as well as strong leadership, governance and accountability.

I would also like to take this opportunity to thank Dale Ashford, QFSM, for his valuable contribution as Interim Chief Fire & Rescue Officer from May 2015 to November 2016. He has had a long and illustrious career within NIFRS and following his retirement in May 2017, on behalf of the Board, I wish him a long and healthy retirement.

During the year we have seen strong progress made on 2 of our major capital projects. In March 2017 the first sod was cut at the site of the £7.8m Logistics Support Centre at Boucher Crescent, Belfast. Due to open in Spring 2018, it will be the hub for the maintenance, servicing and repair of fire appliances and operational equipment, a central Stores facility and the base for the Technical Communication Workshops and Standby Regional Control Centre.

In April 2017 a planning application was submitted to Mid Ulster District Council for our new Training Facility at Desertcreat. Subject to planning permission, work will commence on Phase 1 by the end of 2017 which is expected to be fully operational by early 2019. Work will be commencing shortly on the planning and design stages for Phase 2 of the project which will cover the remainder of the training infrastructure works at Desertcreat.

Both projects have been a long time in the planning but I would like to thank the Department of Health for their support and commitment to these much needed new facilities.

Working with my Board Member colleagues and with the Corporate and Senior Management Teams, we have focused on 13 comprehensive business improvement projects across the organisation. These have focused on reducing the number of outstanding recommendations and again real progress has been made with 70.5% now completed.

I would like to thank Alan Hanna for his dedicated service as Board Member and Vice-Chair before he stepped down from his role in May 2016.

Looking ahead to 2017-18 there will undoubtedly be challenging times ahead – not least due to the challenging financial constraints and political uncertainty. However I remain confident and committed to providing a fire and rescue service which is focused on keeping people safe and protecting and rescuing people in need.

SECTION ONE

Performance Report

The Performance Report details how NIFRS has performed during 2016-17 against each of its Key Performance Indicators and its Strategic Objectives.



1.1. PERFORMANCE OVERVIEW

Chief Fire & Rescue Officer's Foreword



GARY THOMPSON
Chief Fire & Rescue Officer, NIFRS

Gary Thompson, Chief Fire & Rescue Officer, NIFRS, gives his assessment of NIFRS performance in 2016-17 and looks to the challenges and opportunities that lie ahead.

I was incredibly proud and honoured to take up the position of Chief Fire & Rescue Officer in November 2016.

My focus since taking up the post has been on creating a new and stable legacy. I have and will continue to concentrate on a number of key areas including providing a fire and rescue service which can deliver the very best service for the people of Northern Ireland, ensuring that we operate efficiently and offer the best value for money, provide good governance by dealing with past legacy issues and outstanding recommendations and value our people by investing and developing their potential.

Overview of Performance

After a number of years of declining fire calls our Regional Control Centre handled 36,069 999 calls, an increase of 7.9% on 2015-16. Fire crews responded to a total of 23,740 emergency incidents across Northern Ireland; 5.7% more than in 2015-16. This means that every day during the last year we responded to an average of 65 emergency incidents across Northern Ireland.

We began a drive to reduce hoax calls in 2004-05 with an extensive media advertising campaign, together with focused local community engagement. This resulted in an annual decline in the number of hoax calls being received from 5,826 in 2004-05 to 1,287 in 2015-16. For the first time in many years, the number of hoax calls has increased standing at 1,694 in 2016-17. We will be reviewing our advertising and community engagement activities to identify and address underlying causes.

We continue to see success from our Regional Control Centre call challenging and management procedures regarding hoax calls. The ratio between the number of hoax calls received and attended continues to improve. In 2015-16, crews were mobilised to 28.7% of hoax calls compared to 24.4% in 2016-17.

Firefighters attended 3,187 Primary Fires rescuing 141 people during 2016-17. The number of accidental dwelling fires decreased by 2% from 843 in 2015-16 to 826 in 2016-17.

One of the most significant developments has been the reduction in the number of accidental dwelling fire fatalities. Whilst it is gratifying to see this figure reduce by 25% it still remains a tragedy that anyone should die in an accidental dwelling fire. Over the last year we have been taking active steps to specifically target our prevention work at those people considered to be at greatest risk - those aged 60 or older; anyone with

impaired mobility, or those referred by a partnership agency.

Firefighters carried out 3,878 free home fire safety checks, fitted 4,005 smoke alarms and distributed 28,526 fire safety leaflets – again targeting and prioritising the most vulnerable people in the community.

During 2016-17, NIFRS attended a total of 5,043 Secondary Fires of which 1,634 were gorse related incidents. This increase of 3.6% on 2015-16 can be attributed to the rise in the number of these gorse fires. Fire crews also attended 741 road traffic collisions (RTCs), a 1.5% increase in RTCs attended compared to 2015-16. NIFRS, in conjunction with its road safety partners in the Department for Infrastructure (DfI), PSNI and NI Ambulance Service, delivered numerous road traffic collision rescue demonstrations to schools, colleges and communities and took part in 14 Roadsafe Roadshows aimed at young drivers, to highlight the consequences of road traffic collisions.

During 2016-17, NIFRS carried out 1,832 Fire Safety Audits in non-residential premises under the Fire Safety Legislation. The 2015-16 figure included audits, follow-ups and pre/post audit visits whilst the 2016-17 figure is purely based on finished audits. One Enforcement Notice and 4 Prohibition Notices were issued to premises not compliant with the required fire safety standards. NIFRS brought one prosecution as a result of a failure to comply with the required fire safety regulations.

During 2016-17, there were 111 attacks on Firefighters which represents a 12.6% reduction from the previous year. On 9 occasions, either a Firefighter was injured and/or damage was caused to a Fire Appliance, which is a welcome decrease of 50% on 2015-16.

Special service calls attended during the year increased by 18.2% from 1,831 in 2015-16 to 2,164 in 2016-17. These calls include flooding, animal rescues, releasing

people who were trapped or incidents involving chemical, biological or radioactive substances.

I am delighted to report that despite challenging financial constraints we were able to achieve our financial key performance indicator of a breakeven target of 0.25%.

The development of our Integrated Risk Management Plan was widely praised during our Peer Review conducted by Dave Etheridge OBE, Oxfordshire Chief Fire Officer and President of the Chief Fire Officers' Association. He commended the strong resource to risk culture with a solid evidence-led service delivery model and commended the speed of implementation.

It's been several years since we last recruited for Wholetime Firefighters and I am all too aware that our Firefighter numbers have decreased as people naturally reached retirement age. On becoming Chief, it was one of my top priorities to initiate Wholetime recruitment. Thanks to the support of the Corporate Management Team and NIFRS Board the recruitment process is well underway for the next generation of Wholetime Firefighters.

This is a very exciting time for our organisation but it also presents challenges as we balance our need for recruitment against our available budget. We will face this challenge over the coming years but we aim to have our first intake of new trainees starting in September 2017.

The role of a Firefighter has changed dramatically in the last 20 years. Providing an emergency response will always be at the core of what Firefighters do, but it is the breadth of incidents that we respond to which has changed - fires, road traffic collisions, floods, water rescue, search and rescue incidents are just some examples of that change.

Being a Firefighter, however, is so much more than just responding to incidents, it's about community education and prevention activities to help keep people safe and reduce the number of incidents happening. It is also increasingly about collaboration and partnership. Our crews in Lurgan have been part of an Emergency Medical Co-responding pilot from September 2016. This was initially due to end in February 2017 but has since been extended to later in the year to allow time to review the national report commissioned by the National Joint Council. To date Lurgan Fire Station has had a 51% increase in operational activity without any negative impact on statutory duties.

Our single greatest asset is our People. Without the dedication, hard work and sense of duty that the men and women of our organisation display on a daily basis, we simply could not exist. From those people working within our Regional Control Centre (RCC) who are the first point of contact for those who have found themselves in what is often a life threatening situation, to the Firefighters mobilised by RCC to a wide range of incidents, to support staff that keep the wheels of the organisation turning by providing Finance, HR, Purchasing, IT, Corporate Communications, Estates, Transport and Stores functions – each and every role is vital to the success of our organisation.

During the year we have sought new ways to ensure regular and two-way communication with all staff with the introduction of 'Staff News' a new monthly internal staff e-zine, the Chief's blog, Meet the Chief sessions and monthly employee engagement sessions with staff and members of the Corporate Management Team.

We introduced a performance management system to ensure that employees have clear objectives aligned with their annual business plans and provided 8,823 operational training days.

Looking Ahead

As we look to the coming year we are committed to providing the best value to the public. Whilst our costs equate to approximately £38 per head of population and compare favourably to other UK Fire & Rescue Services we must not become complacent and the need to effectively manage our resources remains a priority.

We have been taking active steps to build efficiencies into how we work. A number of key projects will come to fruition in the next financial year to help us achieve this aim including the opening of our new Logistics Support Centre. The maintenance, servicing and repair workshops at Central Fire Station in Belfast, NIFRS HQ in Lisburn and the equipment workshop in our Learning & Development Centre will all relocate. Our stores will all come under one roof which will promote greater control and allow for the effective provision of supplies to all parts of the organisation. In addition, the technical communication workshops and Standby Regional Control Centre will also be based in the new Logistics Support Centre. Bringing key operational support staff and services into one building will deliver real business improvement across the organisation.

The development and implementation of our Area & District Review will ensure that we are tackling duplication and building efficiency into our working methods.

Significant work is underway to strengthen and enhance our IT infrastructure, systems and resilience. The procurement of a new network for our Wide Area Network and Local Area Network as well as Wi-Fi is underway and due to be implemented by the end of 2017.

As we look to the future we will undoubtedly face continued demand for our services which must be balanced against reducing budgets. In order to meet these challenges

I believe that collaboration will become a defining factor in how we do business. We will actively seek out collaborative opportunities to ensure we provide a best value service to the people of Northern Ireland.

I am incredibly proud of the organisation and the work that all staff do – both support and operational – in protecting the whole community from fire and other emergencies. I consider it the greatest privilege to be at the helm as we embark on the next stage of our journey.

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, NIFRS responds 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. A range of community engagement initiatives are provided to help reduce risk and keep people safe from the dangers of fire and other types of incidents that we respond to. The organisation has a dedicated 999 Regional Control Centre where all the Fire 999 calls for Northern Ireland are answered and Fire Crews mobilised to respond.



NIFRS Area, District & Station Map

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

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 wellbeing 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 which will be reviewed in greater detail in the Performance Analysis section:

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



1.2 PERFORMANCE ANALYSIS

Key Performance Indicators

NIFRS uses Key Performance Indicators to measure performance and monitor success. Performance in 2016-17 has been measured against performance in the previous 2 years and against the baseline figure and targets.

Key Indicator	Baseline 2012-13	Performance 2014-15	Performance 2015-16	Performance 2016-17																																																						
<p>KPI 1 999 Emergency Response</p> <p>Achieve and maintain local 999 emergency response standard of 75% of appliances attending an incident within the set target times.</p> <table> <thead> <tr> <th>Response Area</th> <th>Response Target</th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="6">1st Appliance</td> </tr> <tr> <td>High</td> <td>75% within 6 minutes</td> <td>N/A</td> <td>59%</td> <td>57%</td> <td>52%</td> </tr> <tr> <td>Medium</td> <td>75% within 12 minutes</td> <td>N/A</td> <td>78%</td> <td>77%</td> <td>74%</td> </tr> <tr> <td>Low</td> <td>75% within 21 minutes</td> <td>N/A</td> <td>84%</td> <td>89%</td> <td>92%</td> </tr> <tr> <td colspan="6">2nd Appliance</td> </tr> <tr> <td>High</td> <td>75% within 9 minutes</td> <td>N/A</td> <td>60%</td> <td>60%</td> <td>59%</td> </tr> <tr> <td>Medium</td> <td>75% within 15 minutes</td> <td>N/A</td> <td>70%</td> <td>67%</td> <td>63%</td> </tr> <tr> <td>Low</td> <td>75% within 24 minutes</td> <td>N/A</td> <td>82%</td> <td>82%</td> <td>85%</td> </tr> </tbody> </table>	Response Area	Response Target					1st Appliance						High	75% within 6 minutes	N/A	59%	57%	52%	Medium	75% within 12 minutes	N/A	78%	77%	74%	Low	75% within 21 minutes	N/A	84%	89%	92%	2nd Appliance						High	75% within 9 minutes	N/A	60%	60%	59%	Medium	75% within 15 minutes	N/A	70%	67%	63%	Low	75% within 24 minutes	N/A	82%	82%	85%				
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<p>KPI 2 Number of Fatalities in Primary Fires</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of fatalities in primary fires per 100,000 population from the 2012-13 baseline.</p>	15	11	16	10																																																						
<p>KPI 3 Number of Non-Fatal Casualties in Primary Fires*</p> <p>Reduce by 2% year-on-year (10% reduction by 2018) the number of non-fatal casualties in primary fires per 100,000 population from the 2012-13 baseline.</p>	154*	158	142*	147*																																																						
<p>KPI 4 Number of Primary Fires</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	3,187																																																						

Key Indicator	Baseline 2012-13	Performance 2014-15	Performance 2015-16	Performance 2016-17
<p>KPI 5 Arson (Deliberate Fire) Incidents</p> <p>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>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 a 5 year period April 2008 – March 2013 (8,514).</p>	1,303	1,308	1,405	1,386
	N/A	4,487	4,583	4,753
<p>KPI 6 Average number of Working Shifts/Days lost to Sickness</p> <p>Achieve an average of 10 days/shifts lost per year by 31 March 2017.</p>	N/A	9.8	12.5	13.4
<p>KPI 7 Firefighter Safety</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	18	9
<p>KPI 8 Reportable Accidents and Injuries</p> <p>Reduce reportable accidents in the workplace by 10% and major accidents and injuries by 5% year-on-year from the 2012-13 figures.</p>	Total 29	<p>Reportable Accidents</p> <p>Wholetime 20</p> <p>Retained 13</p> <p>Control Room -</p> <p>Support Staff 2</p>	<p>Reportable Accidents</p> <p>Wholetime 12</p> <p>Retained 7</p> <p>Control Room -</p> <p>Support Staff 2</p>	<p>Reportable Accidents</p> <p>Wholetime 8</p> <p>Retained 4</p> <p>Control Room -</p> <p>Support Staff -</p>
	Total 2	<p>Reportable Accidents</p> <p>Wholetime 1</p> <p>Retained -</p> <p>Control Room -</p> <p>Support Staff -</p>	<p>Reportable Accidents</p> <p>Wholetime 3</p> <p>Retained 1</p> <p>Control Room -</p> <p>Support Staff -</p>	<p>Reportable Accidents</p> <p>Wholetime 3</p> <p>Retained -</p> <p>Control Room -</p> <p>Support Staff 1</p>
<p>KPI 9 Efficiency Savings</p> <p>Achieve a breakeven target of 0.25% or £20k (whichever is greater) of cash revenue allocation for 2016-17</p>	N/A	0.08%	0.12%	0.01%

* KPI 3 figures are dynamic and may change based on the completion of outstanding fire reports. Those figures marked * have changed in year.

Emergency Response and Prevention and Protection Statistics

As an organisation which provides an emergency response to fires, road traffic collisions and special service incidents and which has a duty to prevent these incidents and protect people from these dangers, performance is also measured using additional performance data.

Below is a summary of activity in 2016-17 and the 2 previous years.

Performance Measurement	2014-15	2015-16	2016-17	% Difference between 2015-16 & 2016-17
Regional Control Centre				
999 Calls Received and Managed by Regional Control Centre	33,992	33,440	36,069	+7.9%
Incidents Mobilised	22,781	22,458	23,740	+5.7%
Hoax Calls Received	1,614	1,287	1,694	+31.6%
Mobilisations to Hoax Calls	442	369	414	+12.2%
Operational Overview				
Major Fires Attended	3,138	3,204	3,187	-0.5%
Accidental Dwelling Fires	923	843	826	-2.0%
Accidental Dwelling Fire Fatalities	8	12	9	-25.0%
Fire Fatalities Other	3	4	1	-75.0%
Major Fire Rescues	213	138	141	+2.2%
Road Traffic Collisions Attended	720	730	741	+1.5%
Road Traffic Collision Fatalities (only at RTCs NIFRS attended)	45	50	40	-20.0%
Road Traffic Collision Rescues	567	561	534	-4.8%
Special Service Calls Attended (Excludes RTCs)	1,775	1,831	2,164	+18.2%
Special Service Call Fatalities (Excludes RTCs)	39	37	40	+8.1%
Special Service Call Rescues (Excludes RTCs)	737	875	860	-1.7%
Gorse Fires	1,499	1,439	1,634	+13.6%
Secondary Fires – Other	3,365	3,428	3,409	-0.6%
Safety Activity Overview				
Safety Events Attended Total	2,766	2,195	*794	n/a due to changes in the recording mechanism
Fire Safety Talks	279	251	*134	
Safety Team	553	529	*67	
School Visits	752	596	*160	
Community Engagement	758	571	*247	
Community Events	424	248	*186	

Performance Measurement	2014-15	2015-16	2016-17	% Difference between 2015-16 & 2016-17
Fire Safety Leaflets Distributed	142,736	121,754	*28,526	n/a due to changes in the recording mechanism
Home Fire Safety Checks	6,958	5,707	3,878	-32.0% (HFSC now target people at risk, not general population as per previous years)
Smoke Alarms Fitted in Homes	5,146	4,722	4,005	-15.2%
Other Measures				
False Alarms due to Alarm Systems (domestic and non-domestic premises)	7,641	7,594	8,608	+13.4%
Attacks on Firefighters (includes hostile crowds, verbal abuse, physical attacks, damage to appliances, injury to Firefighters and withdrawal from incident due to threat of attack)	110	127	111	-12.6%
Attacks on Firefighters resulting in Injury to Firefighter/Damage to Fire Appliance	26	18	9	-50.0%
Fire Safety Audits completed (Commercial/Business Premises)	3,533	3,651	1,832	-49.8%

- All percentages have been rounded to one decimal place for reporting purposes.
- *Figures reflect activity between April and September 2016. A new recording mechanism was introduced from October 2016 which provides more detail on the range of Prevention activities undertaken.

Prevention Activity 1 October 2016 – 31 March 2017

In October 2016 NIFRS launched its new 'People at Risk' Strategy which aims to identify those people most at risk from fire in their home so as to provide them with fire safety advice. In line with this new strategy and the overall 'Prevention and Protection' Strategy, NIFRS reviewed its approach to all safety prevention activities and implemented a new system which targeted resources and activities to reaching those people deemed to be most at risk.

Below is a summary of activity for the 6 month period, 1 October 2016 – 31 March 2017, which targeted resources and activities to areas of highest risk.

Prevention Theme	Activity	No of Activities	Audience Reached
Fire Safety in the Home	Leaflets	768	44,437
	Youth Engagement	359	15,348
	Safety Team (Schools)	640	18,217
	Chip Pan Demos	3	2,262
	Bee Safe Programme	9	870
	Events Attended	134	8,512
	Talks	79	1,403
People at Risk	Leaflets	104	8,438
	Talks	79	2,023
	Events	24	2,332
Road Safety	Leaflets	13	2,535
	Strategic Events	2	-
	Local Events	75	8,727
Anti-Social Behaviours: Hoax Calls, Deliberate Fire Setting, Attacks	Leaflets	12	2,321
	Talks/Meetings	23	3,601
	Events Attended	4	-
Unwanted Fire Signals	Meetings/Phone Calls	27	-
	Letters	52	-
	Leaflets	18	146
	Other Engagement Activities	501	26,806

Strategic Objective 1: Prevention, Protection and Emergency Response

Aim:

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

Outcomes:

Operational Incidents of Note

NIFRS attended 23,740 incidents in 2016-17 covering fires, road traffic collisions and special service incidents such as flooding, water rescues and large animal rescues. The following is a snapshot of the breadth of incidents attended.

47% increase in incidents attended at Halloween

31 October 2016 was one of the busiest nights of the year. 232 calls were received and 166 incidents attended, which was a 47% increase on the previous year. It was the busiest Halloween night since 2010.

The majority of the incidents attended were in Southern Area Command (45%) with most of these involving small grassland fires and bonfire materials. Similar types of incidents were attended across Northern Ireland. 93% of all fires attended over the 24 hour period were started deliberately.

Major Fire at Business Premises in West Belfast

Firefighters attended a major fire at a Recycling Centre in West Belfast on 31 August 2016. 12 Fire Appliances and 75 Firefighters were deployed to the incident,

involving specialist high-reach vehicles, high-volume pumping appliances and a dedicated control unit. Firefighters dealt with a large fire in a single storey building. Fortunately all staff working in the premises were safely evacuated. The fire was started accidentally.



Major fire in West Belfast

House Extensively Damaged by a Candle

On 6 December 2016, Firefighters attended a house fire in Belfast caused by an unattended candle left burning too close to Christmas decorations. Thankfully there were no injuries as a result of the incident but the house was extensively damaged as a result of the fire which started after the owner had left the property for a very short time. When she returned she discovered a fire in the ground floor of her house. A Christmas decoration had fallen onto a small candle which had been left burning on the hearth. NIFRS was very grateful to the householder for her co-operation in allowing

publication of the photos, from inside her house, to highlight the dangers of leaving candles unattended and to show just how quickly a fire can take hold.



House fire caused by candle

Rescue of Kayaker from Six Mile Water, Antrim

The Specialist Rescue Team, together with Firefighters from Antrim and Ballymena Stations, rescued a lady from the Six Mile Water River who had got into difficulty while kayaking. The strong current had pinned her against the arch of a bridge and flipped her boat over, trapping her legs. Working in very difficult conditions on the water, Firefighters were able to reach the lady and with the combined efforts of the Crews on land, the friends of the casualty and with the help of the other emergency services, the lady was able to be freed and taken to hospital. Thankfully she was not seriously injured.



Rescue of kayaker - Six Mile Water, Antrim

Integrated Risk Management Plan 2016-21

NIFRS Integrated Risk Management Plan (IRMP) 2016-21 is the 5 year strategic plan which focuses on all aspects of the organisation including protecting our community, reducing the number of emergency incidents, saving lives and keeping Firefighters safe. It ensures the prevention, protection and emergency response services work collaboratively to provide the best possible service to the public.

Below is a summary of activity in 2016-17 across the 6 key IRMP Objectives:

1 Develop risk analysis capability to effectively target resources

Over the last year the risk analysis capability was further developed. The overarching risk model now incorporates all types of emergency incidents which NIFRS has a responsibility to respond to, with an impact weighting applied to incidents which have a greater life risk association, such as dwelling fires, fires in other buildings, road traffic collisions and other types of special service calls such as flooding, releasing people who are trapped or incidents involving chemical, biological, radioactive or nuclear substances.

Community Risk Management has integrated weighted factors of emergency response capacity, dwelling fire risk, NIFRS People at Risk Strategy and Multiple Deprivation to prioritise the targeting of Prevention resources.

2 Review service delivery and management structure in line with risk

The updated risk model was used to assess the overall risk in each of the 67 Fire Station Areas. This informed an initial review of operational response resources. 11 Station Areas were identified to have resourcing which did not effectively meet risk levels.

Following a period of consultation, NIFRS Board approved the following recommendations in 2016-17:

- Change the crewing arrangements in 6 of the 7 Variable Crewed Stations and enhance crewing at 4 Retained Stations to Day Crewing.

The Day Crewing pilot in Enniskillen Station has been made permanent. The other 3 Retained Stations (Downpatrick, Strabane and Dungannon) will move to enhanced Day Crewing following recruitment and refurbishment work on Station.

Day Crewing has now been introduced in the 6 previously Variable Crewed Stations - Carrickfergus, Newtownards, Portadown, Armagh, Omagh and Coleraine - meaning Firefighters are based on Station from 8am-6pm Monday-Friday, as well as having the availability of Retained Firefighters. Outside of these hours, the emergency response is provided by Retained Firefighters.

- Continue with Variable Crewing in Antrim Station to allow a further review.
- Realign all Wholetime day shifts to match the Day Crewed shift times of 8am-6pm. On 2 January 2017 all NIFRS Wholetime day shifts moved to 8am-6pm which facilitates the movement of personnel, as required, to meet need.

3 Explore options to deliver a road safety awareness campaign targeted at 16-24 year olds

During 2016-17 NIFRS undertook a review of its Road Safety Strategy, the outcome of which proposed that a revised strategy should be developed in order to target resources more effectively. The revised strategy has, at its core, the aim of reducing deaths and serious injury to those within the 16-24 age group. It has been further advocated to deliver a 'consequence' education programme through the use of 2 regional programmes jointly developed by NIFRS with the support of the other Emergency Services. It is anticipated

that the standardised approach will support the introduction of an evaluation methodology and allow for a consistent approach to Road Safety education.

An analysis of NIFRS mobilisation data and PSNI road traffic collision statistics was undertaken which highlighted the areas with the highest levels of fatalities and serious injuries as a result of RTCs in Northern Ireland.

The new NIFRS Road Safety Strategy will target these areas and pilot a new prevention programme specifically targeted to 16-24 year olds. The impact of the pilot will be evaluated over the course of one year (1 April 2017-31 March 2018) and if successful will then be rolled out to other areas.

4 Review and effectively manage the Retained Duty System

Retained Firefighters provide operational service delivery to over 76% of the population in Northern Ireland.

To ensure the Retained Duty System (RDS) is fit for purpose, a Retained Steering Group was established to identify and deliver positive change and improvement within RDS. The Steering Group will develop strategies and policies, mitigate risk and identify and manage value adding projects.

Gartan Emergency Response Availability System (ERAS) is the electronic availability system for RDS. It enables RDS Officers and Firefighters to schedule their availability remotely via the internet, text message or smartphone and allows managers to monitor crewing levels at any location. NIFRS Regional Control Centre personnel can monitor live availability in all RDS Stations and use the information to immediately inform the mobilisation of appliances to ensure sufficient resources are deployed to incidents. In 2016-17 NIFRS initiated centralised monitoring of the System to inform workforce planning.

The Annual Retained Watch Commanders' Conference was held on Sunday, 19 February 2017 at the NIFRS Learning & Development Centre. The main focus of the Conference was RDS availability and new crewing proposals. There were information sessions on Large Animal Rescue, Retained Payroll software and feedback was sought from the Retained Watch Commanders on internal communications to RDS staff.

5 Review existing Emergency Response Standards

Emergency Response Standards (ERS) define the optimum response times for particular areas based on the level of foreseeable risk (likelihood x impact).

The current ERS were introduced in 2006 and were based upon data from 1999 to 2003.

These Standards are no longer current as they are based on a risk profile of dwelling fires only and do not reflect the additional community risks associated with fires in other types of buildings, road traffic collisions and other types of calls such as flooding, rescue/release of people and incidents involving hazardous materials.

In 2016-17 NIFRS developed proposals for graduated ERS based on current risk levels across Northern Ireland. These proposals will assist in ensuring NIFRS has the right Firefighters, appliances and equipment, in the right place, to provide the right emergency response at the right time.

NIFRS will be carrying out a full public consultation on these proposed new ERS in 2017-18.

6 Explore opportunities for collaborative working with Health & Social Care (HSC) services

Since September 2016, Firefighters at Lurgan Station have been working alongside colleagues in the Northern Ireland Ambulance Service (NIAS) on an Emergency Medical Response pilot. This has involved NIFRS personnel being simultaneously alerted and mobilised alongside NIAS colleagues to medical emergency incidents where individuals have suffered either an out of hospital cardiac arrest or have complained of chest pains.

NIFRS has provided enhanced casualty care training to 32 Firefighters. This allows them to deliver lifesaving medical interventions on occasions where a NIFRS appliance arrives prior to NIAS crews. NIAS still has primacy over the incident and once in attendance their lead officer takes responsibility for any medical care administered.

The pilot is part of a wider trial across 32 Fire & Rescue Services in the UK. Initially due to end on 28 February 2017, the pilot has now been extended to late 2017 to allow time to review the National Report commissioned by the National Joint Council (NJC).

To date Lurgan Fire Station has had a 51% increase in operational activity over the pilot period without any significant negative impact on statutory duties.



Emergency Medical Response Pilot

NIFRS Resilience Capabilities

In order to fulfil statutory duties under The Fire and Rescue Services (Northern Ireland) Order 2006 and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011, NIFRS has developed a number of Operational Capabilities to support the emergency response service.

These capabilities include:

- High Volume Pumping
- Hazardous Materials Response
- Petrochemicals
- Marine Firefighting
- Large Animal Rescue
- Wildfire
- Rope Rescue
- Flood Response
- Urban Search and Rescue
- Specialist Rescue Team

To provide operational assurance of the organisation's capability to respond to these types of incidents, procedures are tested through annual exercises, normally carried out with other Emergency Services and partner agencies to simulate a potential real life scenario.

On 24 February 2017 an exercise called 'Break Through' was carried out to test deployment and a sustained operational response at a simulated incident involving an explosion and collapse of a structure with multiple persons trapped. The exercise was designed to test NIFRS' capabilities of Urban Search & Rescue, Rope Rescue, Confined Space Working and Command & Control procedures.

NIFRS and partner agencies used the exercise to test the Joint Emergency Services Interoperability Principles (JESIP). JESIP principles cover joint working at the incident ground, communications, co-ordinating response activity and jointly understanding risk and shared awareness of the incident.

During exercise 'Break Through' NIAS Hazardous Area Response Team (HART), PSNI, Red Cross and Search and Rescue

Dogs Association (SARDA) worked with NIFRS to test the implementation of a significant multi-agency emergency response.

Prevention & Protection

In addition to providing an emergency response, NIFRS has a statutory duty to keep people safe from the dangers of fire and, through education and awareness raising campaigns, provide both fire and road safety advice to the public.

Launch of People at Risk Strategy

NIFRS closely monitors the statistics for the number of accidental house fires, fatalities and casualties and the causes of house fires and directs prevention activities to those areas of greatest risk.

In 2015-16, 12 people tragically died in accidental house fires and it was identified that 58% of those people shared common factors which meant they could have been deemed to be at greater risk from fire. 7 of the 12 people who died were age 60+ and had mobility and/or health issues. NIFRS refers to people that fall within those categories as 'People at Risk'.

As the population lives longer and with more emphasis on providing support and care in the community and allowing people to live independently at home for as long as possible, the numbers of people falling within the People at Risk category in Northern Ireland is set to increase. This change in the community risk profile has led to the development of the new People at Risk Strategy which was officially launched during Fire Safety Week (3-10 October 2016).

The Strategy clearly defines how NIFRS will deliver positive outcomes for the community by ensuring that prevention activity is directed and targeted in an efficient and effective manner, delivering timely interventions to those most at risk from fire. Positive outcomes can only be delivered by working in collaboration with other organisations. The Strategy promotes and develops partnership working as a means of reducing the number of accidental house fires and subsequently deaths and injuries as a result.

New Home Fire Safety Check Policy

One mechanism supporting the People at Risk Strategy is the new approach to Home Fire Safety Checks (HFSC) which was launched on 1 April 2016. Using the new online referral form on the website, NIFRS is able to identify those people most at risk and to prioritise home fire safety checks. These are carried out by Firefighters from the local area who will visit people in their home to provide practical fire safety advice, develop fire escape plans and to check and, if necessary, fit smoke alarms. In 2016-17, NIFRS carried out 3,878 HFSCs.



Testing Smoke Alarms

64 New Partnership Agreements Signed

In line with the People at Risk Strategy a much greater emphasis was placed on partnership working in 2016-17. A referral from a partnership agency already working with people in their own homes is one of the best ways to identify those most at risk in the community.

The target was to achieve the signing of 28 new partnerships in 2016-17. By 31 March 2017, 40 new partnerships had been signed, bringing the overall total number of partnerships with NIFRS to 64. These include partnerships with local Councils, Health Trusts and an extensive range of charities and voluntary agencies who all work with people 'at risk' on a daily basis.

The largest number of referrals came from the Northern Health & Social Care Trust who made 111 referrals for their clients to have a Home Fire Safety Check.



Group Commander Geoff Somerville and Joanna Dougherty, Estates Divisional Risk Manager, Belfast Health & Social Care Trust signing a partnership agreement to provide enhanced support for people at risk

Youth Engagement

The NIFRS Cadet programmes in Bangor, Belfast, Cookstown, Lisburn and Newry continue to go from strength-to-strength through the hard work and enthusiasm of the volunteer Instructors. 72 Fire Cadets started their training on 1 September 2016. A number of the Fire Cadets took part in the Duke of Edinburgh Award Scheme which was facilitated by the Cadet Instructors.

The Prince's Trust NI and NIFRS signed a Memorandum of Understanding in June 2016 to work in partnership to support unemployed young people through the delivery of a number of programmes. The partnership aims to transform the lives of over 500 young people over 3 years by delivering 3 different programmes - Get Started, Fairbridge and Achieve, each with specific aims and objectives to help these young people get into employment, training or further education. To date, 118 people have taken part in the schemes.



Newry Fire Cadets, Duke of Edinburgh Awards

Firefighters took part in a new 'Fire Fitness' Pilot Scheme aimed at improving fitness levels amongst 1st and 2nd form pupils. 20 pupils from Laurelhill Community College and St Patrick's Academy, Lisburn, were involved in the 6 week pilot, which ran in partnership with Sport NI and Lisburn & Castlereagh City Council. The pilot was designed to support the wider health and wellbeing agenda for young people through fun activities. The main message for the young people was to keep active, continue moving and to make fitness fun.



Fire Fit Schools Programme – St Patrick's



Fire Fit Schools Programme – Laurelhill College

Police and Community Safety Partnerships and Community Planning

NIFRS continues to play a key role as a statutory partner to Police and Community Safety Partnerships (PCSPs) and Community Planning as established by legislation.

PCSPs work with the community to identify issues of concern in the local area and prepare plans to deliver practical solutions. Community Planning is a process whereby Councils, statutory bodies and the

community work together to develop and implement a shared vision for promoting the wellbeing of their area and pave the way for the most efficient use of resources. Throughout the year, NIFRS Officers have been able to contribute to the development of these action plans and local initiatives.

Road Safety

In 2016-17, Fire Crews attended 741 RTCs, a 1.5% increase on the previous year. 40 people tragically lost their lives at RTCs attended by NIFRS (65 fatalities on our roads in 2016-17 in total) and Firefighters rescued 534 people trapped in RTCs.

NIFRS is a key road safety partner for Northern Ireland alongside the PSNI, NIAS and the Department for Infrastructure, providing road safety advice and messages to the public. 14 Roadsafe Roadshows were delivered, targeting young drivers of the future, to educate them about the consequences of driving too fast, of not wearing a seatbelt, of not paying attention and of driving while under the influence of alcohol/drugs.

During Road Safety Week (21-27 November 2016) multiple RTC rescue demonstrations were held to show young drivers the hard hitting reality of what Firefighters face at road traffic collisions.



Demo Road Safety Activity

Fire Safety Audits

In 2016-17, NIFRS carried out 1,832 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. Fire Safety Inspectors provide information to help owners/managers of non-domestic premises maintain the required standards. The aim is to educate and inform but, where necessary, enforce or ultimately prosecute

in cases of non-compliance with the fire safety requirements.

One Enforcement Notice and 4 Prohibition Notices were issued in 2016-17. One Prosecution was taken as a result of repeated failure to comply with the required fire safety standards.



Strategic Objective 2: Manage Resources

Aim:

To provide a value for money sustainable service that meets the expectations of our stakeholders.

Outcomes:

Developments in IT

In 2014, NIFRS requested the services of Business Services Organisation (BSO ITS) to undertake a review of NIFRS IT Infrastructure and Services. The purpose of this review was to investigate and identify risks and critical failure points within the IT infrastructure and services, and make recommendations to address them.

The risk of significant service failure was exceeding the capabilities of the current services and their support structures to manage or mitigate those risks. Significant reform of the IT services was recommended if NIFRS business needs were to be met now or in the future.

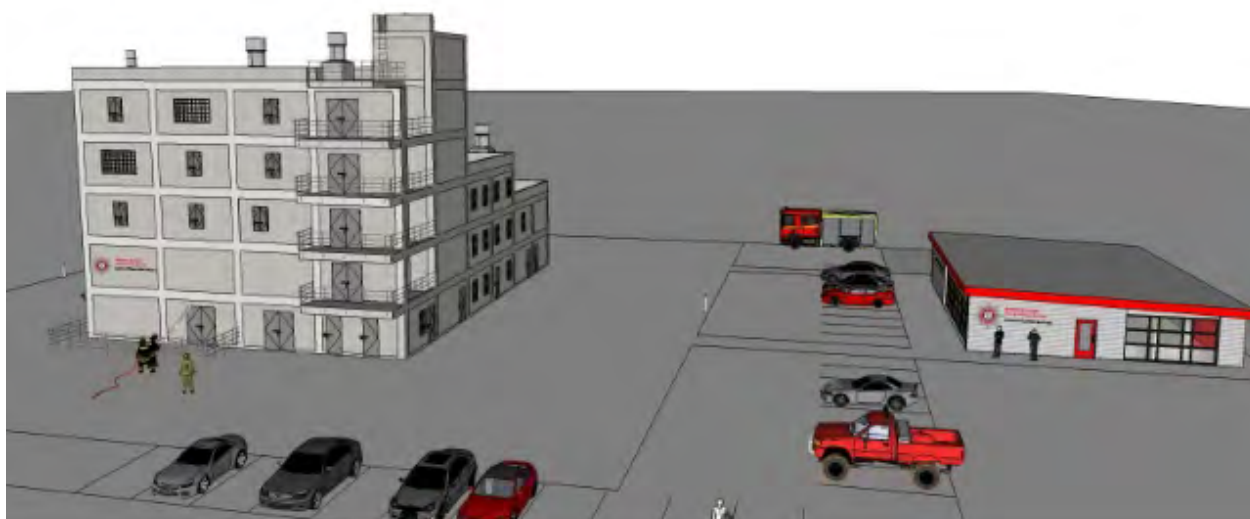
NIFRS has been engaging with BSO ITS since that review was undertaken and, during 2016-17, NIFRS Board approved the transfer of the provision of IT Infrastructure Services to BSO ITS, which has taken effect from 1 April 2017.

BSO ITS will act as NIFRS' high performance business partner providing information technology and associated services to defined and agreed service levels. This will be achieved through a Transformational Programme of projects, activities and deliverables, co-ordinated through a formalised NIFRS Transformational Programme.

The benefit of implementing a Transformational Programme is that the individual projects, activities and deliverables necessary to support current and ongoing business objectives can be co-ordinated and delivered within a controlled management environment using agreed resources and costs to a pre-determined timescale.

Capital Investment

NIFRS has embarked on an ambitious Estates Capital Investment Programme with design teams being appointed to progress planning on the refurbishment of Larne Fire Station and the Regional Control Centre at NIFRS Headquarters. Work has also commenced on Strabane Fire Station and plans are in place to reconfigure Dungannon and Downpatrick Fire Stations to accommodate day crewing in line with IRMP requirements.



New Learning & Development Centre

A Planning Application was prepared in-year and lodged in April 2017 to Mid Ulster District Council for Phase 1 of the new Learning & Development Centre at Desertcreat, Co Tyrone. Phase 1 will see the construction of a 6 storey Tactical Firefighting Facility and associated welfare facilities. Subject to planning approvals, construction of Phase 1 is expected to be completed in late Autumn 2018.

Construction was started on the new Logistics Support Centre in Boucher Crescent, Belfast. This new Centre will provide a state-of-the-art Transport and Equipment Workshop and Stores facility which will support operational service delivery. The building is expected to be ready by Spring 2018.



Logistics Support Centre Plans

Organisational Property Asset Strategy

In 2016-17, NIFRS developed an Organisational Property Asset Strategy to support the organisation in the delivery of its operational emergency response by ensuring the current estate is fit for purpose. The core requirements of the Strategy are to align the size of the estate (79 sites) with identified need, through the re-use and rationalisation of existing buildings or disposal of vacant properties where appropriate.

The Strategy sets out how NIFRS will reduce recurrent operating costs, with a focus on energy and carbon emissions. It 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.

Sustainability and Energy Management

The Facilities and Assets Department continues to identify opportunities for environmental management across the entire estate with planned retrofits of a centralised Building Management System during planned modernisation projects. The Building Management System enables NIFRS to monitor and control energy usage. As part of the sustainability strategy, NIFRS seeks to find innovative solutions that minimise the environmental impact of buildings. All new buildings are required to achieve BREEAM Excellence status. BREEAM (BRE Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings and communities. It sets the standard for best practice in sustainable design assurance that best environmental practice is incorporated into a building.

Replacement Command, Control and Communications Programme

The principal function of the Regional Control Centre (RCC) is to take emergency calls, mobilise resources, provide a strategic overview of an incident and provide critical support information to Firefighters on the ground during an incident. The Regional Control Centre is therefore a critical part of our frontline emergency response service. Based at NIFRS Headquarters in Lisburn, RCC personnel handle all incoming 999 fire calls and during the year dealt with 36,069 calls, a 7.9% increase on the previous year.



Regional Control Centre

The current Command and Control System, which RCC personnel use to manage all emergency 999 calls and to mobilise resources to incidents, has been in place since 1999 and needs replaced. During 2016-17 NIFRS has been working with the Scottish Fire & Rescue Service, who also require a new system, to procure a replacement Command and Control Mobilising System. The new Command and Control System is expected to be in place in late 2018.

Investment in Fleet

NIFRS invested £3.1m as part of the ongoing Fleet Capital Replacement Programme. 21 rapid response vehicles, 13 support service vans, 6 all-wheel drive pumping fire appliances and 3 standard pumping fire appliances were purchased



Rapid Response Vehicle Fleet

and delivered to Stations across Northern Ireland. The purchase of these vehicles will enhance the operational capabilities of Firefighters when responding to incidents.

An Overview of Financial Performance 2016-17

In 2016-17 our budget allocations from the Department of Health was £72.824m in respect of revenue and £6.517m for capital.

The financial key performance indicator was to achieve by 31 March 2017 the financial breakeven target of 0.25% or £20k (whichever is the greater) of revenue allocation. NIFRS achieved 0.01% which is well within the acceptable limits for the year.

In 2016-17 it cost on average £3,090 for each mobilisation to an emergency incident. This calculation is based on the total revenue expenditure divided by the number of mobilised incidents in 2016-17.

Long-term Expenditure Trends

All Public Sector Bodies in Northern Ireland receive annual budgets. NIFRS has received an indicative budget allocation for 2017-18. The expenditure trends over the past 3 years are set out in the table below:

	2016/17 £000	2015/16 £000	2014/15 £000
Revenue grant received	72,824	72,684	71,143
Net expenditure	97,968	81,998	42,449
RRL	97,980	82,098	42,485
Break even position (%)	0.01%	0.12%	0.08%
Capital grant received	6,517	3,267	6,172
Net Capital expenditure	6,449	3,267	6,172
CRL	6,517	3,267	6,172
(Under)/overspend against CRL	(68)	-	-
Firefighter pension liability	804,110	649,572	696,833
Remeasurement gains/losses	129,043	(73,380)	21,900

Strategic Objective 3: Support Our People

Aim:

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

Outcomes:

Employee Engagement Survey

Following the NIFRS Employee Engagement Survey carried out in May 2016, a number of sessions were arranged to present the findings of the survey to employees. At these sessions, employees were asked for their views as to what actions are needed in order to address the issues raised and improve employee engagement.

The Survey results and the Employee Feedback Sessions have informed the development of an action plan to improve Employee Engagement (2016-2018). The plan has 4 overarching recommendations:

- Communication and 'Voice'
- Leadership and Change Management
- Develop and maintain a sense of team
- Career, Learning and Development



Meet the Chief - Employee Engagement

Communication, Employee Engagement and Recognition

The Corporate Communications Department introduced a number of new internal communication channels during the year to enhance communication with all staff. These included a new monthly 'Chief's Blog' and 'Staff News' the monthly staff e-zine. Following the appointment of Gary Thompson as the new Chief Fire & Rescue Officer, a programme of 'Meet the Chief' sessions were held for staff to hear the vision of the new Chief and to ask any questions on the future direction of NIFRS.

The Corporate Management Team has undertaken a programme of monthly Staff Engagement Sessions. Two Directors visit a particular location each month to talk to staff about the latest organisational developments and to hear the views and answer questions from staff.

2016-17 saw the second year of the NIFRS Employee Awards. Among the winners were Tommy Stubbs, Manual Technician, Eastern Area Command who was awarded the Chief Fire & Rescue Officer's Award. The Large Animal Rescue Teams from Omagh and Newcastle were the joint winners of the Outstanding Achievement by a Team. Deborah Reynolds, Business Assurance Manager from NIFRS HQ won the Outstanding Achievement by an Individual.



Tommy Stubbs, Manual Technician awarded the Chief Fire & Rescue Officer's Award

Alvin Walker, Retired Watch Commander from Donaghadee Fire Station, won the Community Award.

Five prestigious Chief Fire & Rescue Officer Commendations for Fire Crews from Enniskillen, Magherafelt, Ballymena, Antrim, Banbridge, Lurgan and Whitla Fire Stations, and Firefighter Harry Doherty received an individual Chief Fire & Rescue Officer Commendation.



Firefighter Harry Doherty awarded Chief Fire & Rescue Officer Commendation

The Long Service & Good Conduct Medals were presented by the Lord Lieutenant for the County Borough of Londonderry, Dr Angela Garvey, and 77 Operational personnel were eligible to receive their Medal. Four Support Staff received their Long Service Award for 20 years' service. A special award was presented to 20 staff who have each completed more than 40 years' service in NIFRS.



40 years service – Employee Awards

Two Special Recognition Awards were also presented to the Fire Emergency Support Service and St John's Ambulance for their ongoing support and contribution to NIFRS.

Leadership and Management Development

NIFRS continued to invest in its staff by further developing leadership and managerial skills at supervisory, middle and strategic level. In conjunction with the HSC Leadership Centre, a range of programmes have been introduced that will develop competencies in a number of areas including:

- Managing Teams, Performance and Engagement
- Service Improvement and Managing Change
- Governance, Risk and Decision Making
- Financial and Project Management

This investment in leadership and management levels throughout the organisation will ensure leaders and managers are developed and supported to fulfil their roles, engage employees and develop a culture of innovation and strong performance.

Performance Management

The new Performance Management System came into effect on 1 April 2016. The system aims to influence behavioural change through effective performance management and ensure that employees have clear objectives aligned with their Annual Business Plans.

The new system encourages a high performance culture in which managers actively support individuals to improve their performance, people are clear about how their work contributes to the delivery of the service, know what is expected of them and receive regular feedback on how they are performing.

Learning and Organisational Development

Keeping people safe and well trained is one of the organisation's Core Values. Ongoing training, career development and lifelong learning are important in NIFRS to ensure there are the right skill sets amongst staff to meet organisational objectives.

8,823 training days were delivered in 2016-17 across a range of core operational training - Breathing Apparatus, Road Traffic Collision, Casualty Care, Retained Duty System Trainees, Compartment Firefighting Training, Working at Height, Emergency Fire Appliance Driving and Operation, Incident Command - to other types of training on Community Protection and Fire Safety, Health & Safety and Management Development and Business Skills.



Learning & Development – classroom training



Learning & Development – operational training

Quality and Continuous Improvement Team

In January 2017, NIFRS Learning & Development (L&D) Centre introduced a new Quality and Continuous Improvement Team to develop, implement and review quality and improvement strategies within the L&D function.

Incident Command Training and Assessment Team

The Incident Command Training and Assessment Team, introduced in 2016, has already begun to make significant progress. The vision of the Team is to

enhance, develop and maintain command competence for all NIFRS personnel who attend operational incidents, not just focusing on those who take charge. To achieve this, the Team's aim is to revolutionise the current Incident Command Competence Assessment processes and expectations. The strategy is that over the medium to long term, NIFRS training and assessment processes will develop to involve more practical based scenarios as well as relying on computer simulated scenarios and engaging in professional discussions.

Learning & Development Centre Faculties

From January 2017, the Learning & Development Centre introduced a new faculty approach to the way in which it delivers learning and development. The faculty approach will permit teams to focus on individual specialisms such as tactical firefighting, rescues and driving. This will ensure consistency in the delivery of specialist subject matter, ensuring all faculty members will become Subject Matter Experts (SME). This approach will allow for greater ownership and responsibility amongst individuals and teams.

The new faculties within the L&D Centre have been designated and titled as follows:

- 1 Tactical Firefighting (Breathing Apparatus, Compartment Fire and Tactical Ventilation)
- 2 Rescues (Road Traffic Collision, Heavy Vehicle Rescue, Working at Height and HAZMAT)
- 3 Driving (LGV, EFAD, ELVD and Specialist Vehicles)
- 4 Trainee (Firefighters)
- 5 Incident Command Training and Assessment
- 6 Quality and Continuous Improvement

Resourcing – Operational, Regional Control Centre and Support Staff

This has been an extremely busy year in terms of recruitment and selection activity. In November 2016, Gary Thompson was appointed the new Chief Fire & Rescue Officer. This enabled NIFRS to commence a programme of permanent appointments which will create stability across the Service with respect to operational management. The recruitment process for Assistant Chief Fire & Rescue Officers was started with 2 appointments expected to be confirmed in early 2017-18. Recruitment for the role of Area Commanders was also initiated.

The Wholetime Firefighter recruitment campaign was launched in January 2017. This is the largest and most demanding recruitment campaign undertaken by NIFRS and 4,913 applications were received. This demonstrated how highly people value the role of the Firefighter and the career that NIFRS offers. A challenging recruitment and selection process was put in place comprising 8 key stages to ensure that the best candidates are appointed. NIFRS looks forward to welcoming a new generation of Wholetime Firefighters and it is planned that the first group of new recruits will start training at the Learning & Development Centre in September 2017.



Firefighters in Training

The planned programme of recruitment for Community Firefighters continued. 65 appointments were made for 18 Retained Stations. Within the Regional Control Centre, 6 new Firefighters were appointed and a number of promotions were made.

NIFRS is currently working through a process of reviewing all of its organisational structures. New structures for HR, Finance and Planning, Performance & Governance have all been approved along with a high level Area and District structure. The HR structure is at the final stage of implementation and significant progress has been made in the Finance Directorate. A number of vacancies across Support Directorates have been advertised including the appointment of a new Head of Finance. The restructure of the Finance Department has included outsourcing the IT provision to Business Services Organisation (BSO) as of 1 April 2017, with the transfer of 7 posts.

Equality and Inclusion Update

NIFRS has an approved Equality Scheme and Action Plan setting out how the organisation will meet its obligations under Section 75 and Schedule 9 of the Northern Ireland Act 1998. During the year a new NIFRS Equality and Inclusion Steering Group, which is chaired by the Chief Fire & Rescue Officer, with membership at senior management level alongside Trade Union representatives, was formed.

The Equality, Inclusion and Legal (EIL) Department is responsible for managing consultations and works closely with the lead Department on their specific consultation requirements. During the year several stakeholder consultation exercises were conducted as part of equality screening on key strategies, frameworks, policies and proposals.

One of the largest consultations undertaken was in conjunction with the Operations Directorate on the 'Resource to Risk' consultation, which proposed a number of changes to the Variable Crewing System. Questionnaires were issued to 212 Section 75 consultees and 68 awareness sessions were held across NIFRS, with approximately 800 employees in attendance. Individual MLAs and local Councils were contacted and presentations were delivered to Mid Ulster District Council, Armagh City, Banbridge & Craigavon Borough Council,

Mid & East Antrim Borough Council, Derry City & Strabane District Council and Antrim & Newtownabbey Borough Council as part of the consultation process.

Women remain under-represented in the operational workforce and a key objective under the EIL '2020 Vision' strategy is to promote Firefighting as a viable career option for women. The EIL Team designed positive outreach materials to promote the Retained Firefighter recruitment to women, circulating flyers and posters to local businesses and venues. NIFRS is now consistently meeting the target of attracting 10% of women applicants for Firefighter vacancies and outreach remains an important element to sustain and exceed this figure.

As part of the continued outreach to women, 2 very successful 'Come and Try' Taster Sessions for women were held at Crescent Link and Central Fire Stations in late 2016. Due to popular demand both events were significantly over-subscribed with over 250 women making contact. The purpose of the outreach and 'women only' days was to give practical advice on fitness and life as a Firefighter, as well as providing the opportunity to try out some operational equipment and Firefighter skills to provide women with a better insight into the role of a Firefighter. Some current women Firefighters attended the sessions and were able to give their experience of being a Firefighter and answer questions from those attending. The feedback from both sessions was very positive.



Participants at one of the Come & Try Days with Firefighter Kirstie Breen (centre)

The EIL Department continues their support for Trans equality. The HR Manager EIL, Adele Davidson and Station Commander Karen McDowell, spoke at a conference organised by the Equality Commission for Northern Ireland. The HR Manager EIL presented on NIFRS' experience and practice of supporting a trans employee, highlighting positive steps for organisations for improving their service and places of employment. SC Karen McDowell presented her BSc (Hons) Management Practice research findings on 'Transition in the Workplace: a response to the rising visibility of transgender personnel'. The HR Manager EIL also took part in the Rainbow Project's Trans Roundtable Group, set up to bring parties together to offer support and talk about broader issues for the Trans community in Northern Ireland.



Equality Commission Trans Conference

Health and Wellbeing

A new 3 year Health and Wellbeing Strategy was developed which built on the findings of the Health and Wellbeing Survey carried out in 2015. One of the objectives from the Strategy was the formation of a new Health and Wellbeing Group with representation from across NIFRS and from the Representative Bodies to drive the new agenda forward.

A number of new initiatives were introduced and awareness sessions and training provided across the organisation on key health and wellbeing issues. These included:

- Wellness Recovery Action Plan (WRAP) courses;
- Suicide Awareness;
- Individual and Group Resilience;
- Wellbeing Action Plans;
- Work-bridge Programme – is a process that supports staff who are currently on long-term sickness absence to return to the workplace.

In 2016-17, a new 4 year Occupational Health Scheme was procured. This will provide all employees with access to expert medical care and provide support for managers as required. It will also help ensure staff stay healthy in work and return to work at the earliest opportunity, which in turn will help improve our attendance management figures.

NIFRS invited Cancer Focus to deliver a series of Health Promotion Days across multiple locations for employees.



Health & Wellbeing – Cancer Focus

Strategic Objective 4: Effective Governance, Performance and Improvement

Aim:

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

Outcomes:

Transformational Change and Business Improvement Recommendations

During 2016-17, NIFRS continued with the implementation of 13 Business Improvement Projects covering the following key areas:

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

The primary aim of each project is to improve future service delivery whilst also addressing a large number of historical audit recommendations.

During 2016-17, progress on each Business Improvement Project has been closely monitored by NIFRS Board through a series of Board Information Days held during July/August 2016 and January 2017. In addition, an internal Business Improvement Project Update Day was held on 8 December 2016

to ensure that the momentum in clearing historical recommendations was maintained throughout the year.

Significant work has been carried out in each project area and at year end the only historical recommendations moving into 2017-18 relate to longer term projects, implementation of structural reviews and/or a requirement for IT or other capital investment.

Peer Review

In 2015 NIFRS invited the Chief Fire Officers' Association (CFOA) to carry out a Peer Review of NIFRS. This was not a formal inspection but a 'critical friend' review.

On 9 March 2017, NIFRS welcomed back Oxfordshire Chief Fire Officer and President of CFOA, Dave Etheridge, as he provided feedback on the Peer Review praising the 'exemplary progress' made to date.



CFO Etheridge and his team had completed a follow-up visit on 2 and 3 March 2017 looking specifically at progress within 3 key areas - governance and leadership capacity, IRMP and learning and organisational development.

He praised the work of NIFRS Board for their role in challenging and scrutinising activity and for their comprehensive understanding of the risks faced by

the organisation. A growing confidence and empowerment was noted within the organisation. He believed the development of the IRMP had created a strong resource to risk culture with a solid evidence-led service delivery model and commended the organisation for the speed of implementation. The risk profiling methodology used to support resourcing options was considered to be national leading good practice.

The introduction of the Performance Management System was acknowledged to help balance and address training for support staff and employee engagement was recognised as comprehensive and effective. Special praise was reserved for the management of incident command which he felt had the potential to be industry leading.

Overall, there were a number of positives to be taken from the review as a benchmark that NIFRS is moving in the right direction on a number of key areas.

Information Management

During 2016-17, NIFRS made significant improvements across the organisation in regard to all aspects of Information Management and can demonstrate a positive direction of travel against the stated objective of substantive assurance in the annual Information Management Controls Assurance Standard (IM CAS) assessment.

Some of the significant achievements made in 2016-17 include:

Good Management Good Records:

NIFRS, in association with the Department of Health, has agreed specific retention and disposal instructions with regards to business records which are unique to NIFRS. These include such things as Home Fire Safety Checks, logs of 999 emergency calls, Fire Safety premises files and a wide range of other Fire Service specific business records. This provides clear guidance on how long records should be held and ultimately destroyed and strengthens adherence to the Data Protection Act 1998.

Information Management Training:

The Information Management Project Lead (IMPL) has conducted a wide range of training and information sessions across the organisation. Over 120 members of staff in key risk areas have been provided with tailored information specific to their specific business needs. This raises awareness, strengthens understanding and acts to reduce risk across the organisation.

Information Asset Owner (IAO) Training:

NIFRS held its first IAO Training Course for 19 key members of staff in March 2017. This course provides specific training on why and how key information assets across the organisation are to be protected, managed and maintained. This is a key requirement of the IM CAS. In 2017-18 further key staff will be trained and assume the roles and responsibilities of IAOs. These will be the staff members who ensure that all the personal data that is held by NIFRS meets our legal and moral obligations under the Data Protection Act 1998 and The Fire and Rescue Services Order (NI) 2006.

Information Management Group (IMG):

Key members from across NIFRS now regularly meet under the auspices of this Group. Jointly chaired by the Senior Information Risk Owner (SIRO) and IMPL, this Group now takes the lead on all Information Management matters within NIFRS.

New Policy and Procedures:

The process of reviewing and strengthening core policy and procedure within NIFRS in regard to all aspects of Information Management continues. This has seen the creation of new direction in areas such as CCTV and Information Assurance and the strengthening of direction in other areas such as Data Protection.

Privacy by Design: The Information Commissioner's Office (ICO) has issued guidance on the concept of Privacy by Design and NIFRS has begun to apply that guidance by ensuring that Information Privacy is considered at the planning stages of all new projects that may be undertaken including the new Logistics Support Centre in Belfast and the new Learning & Development Centre at Desertcreat.

Public Surveys

NIFRS issues 2 main surveys to the public each year to measure performance.

One is the Operational Incident Survey with 99% of respondents rating their overall experience of NIFRS at their incident as good or excellent. 1,329 surveys were issued in the year to March 2017 with a 27% response rate.

154 respondents requested to be added to the NIFRS Consultation database to take part in future NIFRS consultations.

Respondents were also asked if they would be willing to share their experiences and be added to a case-study bank to be held and utilised by the Corporate Communications Department. 146 respondents agreed that they would like to tell their story. NIFRS is extremely appreciative of people who

are willing to share their experience to help educate and raise awareness of the dangers of fire.

The second survey is the Fire Safety Audit Survey which is issued to 500 premises which had a Fire Safety Audit carried out in year. The response rate was 32% but 99% of respondents stated that they were satisfied with the service provided with 100% of respondents noting that during the visit the specific stages of the audit process met or exceeded their expectations.

Comments, Complaints and Appreciations Received

NIFRS records all Comments, Complaints and Appreciations received via the Customer Charter and from other direct correspondence to NIFRS. All complaints are investigated by NIFRS.

	2015-16	2016-17	Increase / Decrease
Complaints	45	45	-
Formal	3	2	-33%
Informal	42	43	+2%
Appreciations	217	331	+52%
Comments / Queries / Suggestions	54	28	-48%

Signed: _____ (Accounting Officer)

Date: _____



SECTION TWO

Accountability Report



2.1 CORPORATE GOVERNANCE REPORT

Director's Report

Organisational Structure

The strategic direction, performance and scrutiny of our organisation is overseen by NIFRS Board, a body which was established under The Fire and Rescue Services (Northern Ireland) Order 2006. It is a Non-Departmental Public Body, with the Department of Health (DoH) as its sponsoring Department. NIFRS Board is appointed by the Health Minister 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 & Rescue Officer is also a member of NIFRS Board. A number of movements were noted within the NIFRS Board during 2016-17:

- Ms Carmel McKinney – Chairperson
- Mr Gary Thompson - Chief Fire & Rescue Officer – appointed 7 November 2016
- Mr Jim Barbour
- Mr Gordon Smyth
- Mr Ken Henning
- Cllr Cadogan Enright
- Cllr Robert Irvine
- Cllr Peter Martin
- Mr Alan Hanna – resigned 31 May 2016
- Mr Dale Ashford – Interim Chief Fire & Rescue Officer - tenure ended 6 November 2016

Register of Interests

On appointment, Board Members and members of the Corporate Management Team (CMT) 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 Alan Hanna, a Non-Executive Director who resigned on 31 May 2016, declared that he was also a Non-Executive Director for 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, IT services to the value of £426,442 during the 2016-17 financial year (2015-16: £361,109).

NIFRS Director of Planning, Performance & Governance has declared a link to Directors of Graham Facility Management. During the year ended 31 March 2017, NIFRS made direct payments of £240,064 (2015-16: £8,005) to this company. The Director of Planning, Performance & Governance had no dealings with the contract management arrangements.

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

NIFRS Corporate Management Team

The Corporate Management Team (CMT) is responsible for the overall management and strategic direction of NIFRS and is accountable to NIFRS Board. A number of changes took place within CMT during the year. Gary Thompson took up the post of Chief Fire & Rescue Officer on 7 November 2016 taking over from Dale Ashford who held the role of Interim Chief Fire & Rescue Officer and Accounting Officer for NIFRS from 12 May 2015 to 6 November 2016.

CMT in place as at 31 March 2017 is:

- Gary Thompson - Chief Fire & Rescue Officer
- Dale Ashford - Assistant Chief Fire Officer (Operations)
- Alan Walmsley - Interim Assistant Chief Fire Officer (Community Protection)
- Michael Graham - Interim Assistant Chief Fire Officer (Operational Support)

- David Moore - Director of Human Resources
- Josephine Kelly - Director of Finance
- Liz Cuddy - Director of Planning, Performance and Governance

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 Annual 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 5 potential personal data breaches investigated during 2016-17. One breach was referred to the ICO and remained under review at 31 March 2017.

Charitable Donations

In the current year there have been no charitable donations which resulted in financial expenditure. There were no charitable donations made in 2015-16.

Prompt Payment

The Department of Health requires that NIFRS pay their trade creditors in accordance with the Better Payments Practice Code and Government Accounting rules. In 2017, NIFRS paid 96.8% of trade creditors within the 30 day target (2016 – 93.7%) and 84.1% of trade creditors within the 10 day target (2016 – 81.4%). Full details are disclosed in Note 22 of the Annual Accounts.

Disclosure of Information to Auditor

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.

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 NI Assembly.

The cost of the audit for the year ended 31 March 2016, which pertained solely to the audit of the Annual Accounts, was £39,500. Details are recorded in Note 3 of the Annual Accounts.

Certificate of Accounting Officer

I certify that the Annual Report and Statement of Accounts and Notes to the Accounts (pages 104-148) of NIFRS have been compiled from, and are in accordance with, the accounts and financial records maintained by NIFRS and with the Accounting Standards and Policies for Non-Departmental Public Bodies approved by the Department of Health.

Signed: _____
(Accounting Officer)

Date: _____

Statement of Accounting Officer's Responsibilities

Under Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006, the Department of Health 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 (FRoM) and in particular to:

- Observe the Accounts Direction issued by the Department of Health 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 FRoM 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 the Department of Health, as Accounting Officer for Health Service resources in Northern Ireland, has designated the 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 the Department of Health.

Governance Statement – NIFRS – 31 March 2017

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 (DoH).

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 the DoH 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. DoH representatives are also invited to all NIFRS Board and Board Sub-Committee Meetings.

During 2016-17 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 future service provision has been agreed; and
- 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 looking at 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'.

During 2016-17 there was increased collaboration between NIFRS and HSC in respect of domiciliary care and sensory support across Northern Ireland.

Examples of our current public sector strategic partnerships include:

- Agriculture, Environment & Rural Affairs (DAERA);
- Northern Ireland Environmental Agency (NIEA);
- Environment & Heritage Service (EHS);
- Forest Service;
- Her Majesty's Revenue & Customs (HMRC);
- Maritime & Coastguard Agency (MCA);
- Northern Ireland Ambulance Service (NIAS);
- National Trust;
- Public Records Office Northern Ireland (PRONI);
- Air Support Unit;
- Police Service of Northern Ireland (PSNI);
- National Museums Northern Ireland (NMNI);
- Libraries NI;
- Youth Justice Agency; and
- Health & Safety Executive Northern Ireland (HSENI).

NIFRS also has a number of local/operational partnerships including but not limited to:

- Belfast City, Belfast International, St Angelo Enniskillen and City of Derry Airports;
- Dublin Fire Service;
- 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 – completed November 2016;
- Board training – ongoing in line with an annual training schedule;
- Review of Governance Framework, key governance documents and related board management processes – completed March 2017;
- Board information needs – expected date of completion July 2017;
- Review of organisational structures to ensure fit for purpose – dependent on Ministerial approval - expected date of completion March 2018;
- Chairperson to liaise with Public Appointment Unit regarding Board appointments and management of vacancies – expected date of completion December 2017; and
- Development of Board Members and assessment of their contribution to the Board and Committees – expected date of completion March 2018.

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 DoH Internal Audit Department. These issues are subject to ongoing discussion at Ground Clearing and Accountability Meetings.

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.

These documents were reviewed during 2016-17.

In addition, the Assurance Framework, refreshed in October 2016, outlines roles, responsibilities and reporting requirements with respect to achievement of corporate objectives through planning and management of risk.

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 Chairperson, the Chief Fire & Rescue Officer and 10 Non-Executive Members, 4 of whom are District Councillors.

The Chairperson 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 2016-17:

- The tenure of the former Interim Chief Fire & Rescue Officer (Mr Dale Ashford) ended on 6 November 2016 and a substantive Chief Fire & Rescue Officer (Mr Gary Thompson) took up position on 7 November 2016; and
- One lay member left the Board on 31 May 2016.

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 Chairperson of the Board and its Members are further set out in the Management Statement between the DoH 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 DoH 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 DoH that appropriate action has been taken on such outcomes;
- Establishing the overall strategic direction of NIFRS within the policy and resources framework agreed with DoH;
- 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 DoH, 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 DoH and other relevant organisations;
- Ensuring that, in the development of significant new policies, the Board consults with DoH and other relevant organisations as it considers appropriate and that copies of NIFRS policies are furnished to DoH; 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 membership as a potential issue during 2016-17, all Board meetings were quorate. Attendance at each of the 24 Board Meetings during 2016-17 was as follows:



	Jim Barbour	Cadogan Enright	Alan Hanna (2)	Ken Henning	Robert Irvine	Peter Martin	Carmel McKinney	Gordon Smyth	CFRO(5)		Total Attendees	Board Size	% of Total
11-Apr-16*(1)	✓	✓ (3)	✓	✓	✓	✓	✓	✓	-		8	9	89
11-Apr-16(1)	✓	✓	✓ (3)	✓	✓	✓ (3)	✓	✓	✓		9	9	100
21-Apr-16*(1)	✓	✓	✓	✓	✓	✗	✓	✓	-		7	9	78
03-May-16*(1)	✓	✗	✓	✓	✓	✗	✓	✗	-		5	9	56
17-May-16*(1)	✓	✓	✓	✓	✓	✓	✗	✓	-		7	9	78
24-May-16*(1)	✓	✓ (3)	✗	✓	✓	✓ (3)	✓	✓	-		7	9	78
24-May-16	✓ (3)	✓	✗	✓	✓	✓ (3)	✓	✓	✓		8	9	89
13-Jun16*(1)	✓	✓		✓	✓	✓ (3)	✓	✓	-		7	8	87
28-Jun16*(1)	✓	✓		✓	✓	✓	✓	✓	-		7	8	87
28-Jun-16	✓	✓		✓	✓	✓	✓	✓	✓		8	8	100
02-Aug-16*(1)	✓	✓		✓	✓ (3)	✓	✓	✓	-		7	8	87
24-Aug-16*(1)	✓	✓		✓	✓	✗	✓	✓	✓ (3)		7	8	87
08-Sep-16*(1)	✗	✓		✓	✓	✓ (3)	✓	✓	✓ (4)		7	8	87
27-Sep-16*(1)	✗	✓ (3)		✓	✓	✓	✓	✗	-		5	8	63
27-Sep-16	✗	✓		✓	✓	✓	✓	✗	✓		6	8	75
20-Oct-16*(1)	✓	✓		✓	✓	✗	✓	✓	-		6	8	75
04-Nov-16*(1)	✓	✓ (3)		✓	✓	✓	✓	✓	-		7	8	87
22-Nov-16*(1)	✓	✓		✗	✓	✗	✓	✓	✓		6	8	75
22-Nov-16	✓	✓		✓ (3)	✓	✓	✓	✓	✓		8	8	100
16-Dec-16(1)	✗	✓		✗	✓	✗	✓	✓	✓		5	8	63
24-Jan-17*(1)	✓	✓		✓	✓	✓	✓	✓	✓		8	8	100
24-Jan-17	✓	✓		✓	✓	✓ (3)	✓	✓	✓		8	8	100
21-Feb-17*(1)	✓	✓		✓	✓	✗	✓	✓	✓		7	8	87
10-Mar-17(1)	✗	✓ (3)		✓	✓	✓	✓	✓	✓		7	8	87

(1) Special Board Meeting

(2) Member resigned 31 May 2016

(3) Not present for full meeting

(4) In and out of meeting

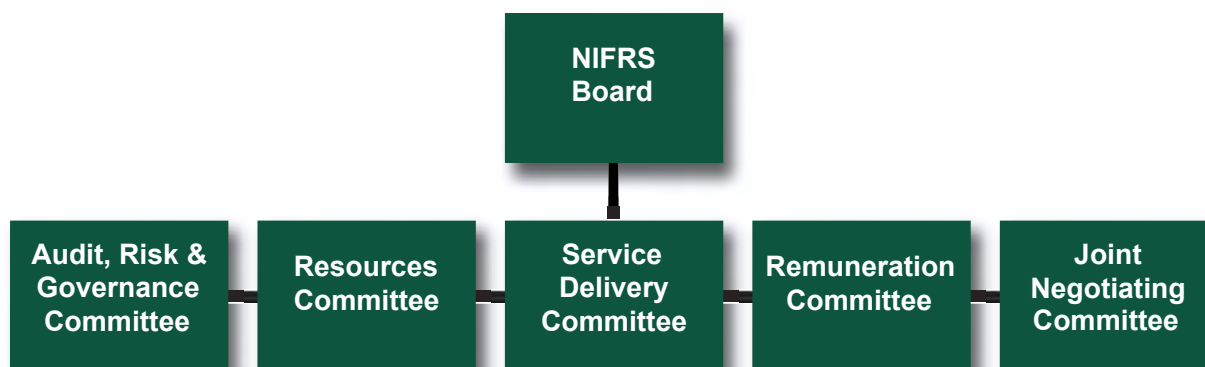
(5) Mr Dale Ashford (01-Apr-16 to 06-Nov-16) & Mr Gary Thompson (07-Nov-16 onwards)

* Closed Session – 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 Chairperson as part of each Non-Executive Board Members' annual appraisal. Throughout 2016-17, 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 2017)

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 the 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 DoH;
- Operations Management Framework;
- Regular Ground Clearing and Accountability Meetings with DoH;
- Regular Board and Budget-holder management reporting;
- Implementation of a Data Quality Policy; and
- Submission of monthly Departmental Returns.

Whilst no specific issues were identified with respect to Board or Committee performance during 2016-17, no formal mechanism exists for monitoring performance in Board or Committee settings. This issue was identified during development of the 2016-17 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 2018.

Chief Fire & Rescue Officer

The 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. As Accounting Officer 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 the DoH:

- 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 DoH 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 Corporate Governance Framework has been in place for the duration of the year ended 31 March 2017 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 Services 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.

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

The Chairperson 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 March 2017 the Audit, Risk & Governance Committee carried out a self-assessment exercise using the National Audit Office's 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 ongoing 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 2017.

Role of Business Services Organisation (BSO) Internal Audit

During 2016-17, 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 Chairpersons 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 Business Planning and Risk Management

Business planning and risk management is 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 2016-17, 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 2016-17 for inclusion in the Corporate Plan 2016-2021 (revised January 2016).

NIFRS uses both SWOT and PEST analysis to evaluate its Strengths, Weaknesses, Opportunities and Threats and to determine how it is affected by its environment (internal and external) in terms of Political, Economic, Social and Technological influences. This process looks at both operational and organisational drivers to determine priorities. The combination of outcomes from both processes provides 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 2016-17 was generated based on the revised strategic objectives and included DoH ALB Annual Compliance Targets. A final draft Annual Business Plan 2016-17 was presented to and approved by the NIFRS Board and DoH.

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

It should be noted that a number of tasks were not completed during 2016-17 as a result of a number of factors including, but not limited to, the impact of key vacancies and the outcomes of external consultation processes. These tasks include:

- By March 2017 to have achieved all the Service Delivery Measures outlined in the agreed NIFRS 2016/17 Business Plan (revised implementation date – March 2018);
- Continue to measure against existing Emergency Response Standards whilst developing and consulting on new Emergency Response Standards (revised implementation date – March 2018);
- Conclude the Area/District review and make recommendations to CMT and Board (revised implementation date – September 2017);
- Review Road Safety Strategy and introduce a new Road Safety Education programme to protect the community targeted in areas of high risk (revised implementation date – September 2017);
- Review and implement a revised Child Safeguarding Policy (revised implementation date – May 2017);
- Award contract for the new Command and Control System (revised implementation date – September 2017);

- Implement NIFRS Security Policy (revised implementation date – July 2017);
- Develop policies and procedures in respect of environmental management aiming to reduce greenhouse gas and CO2 emissions in line with PFG (revised implementation date – March 2018);
- Finalise the implementation of the Learning and Development Structure (revised implementation date – June 2017);
- Attain substantive compliance levels in respect of Information Management Controls Assurance Standards (revised implementation date – March 2019);
- Deliver Year 1 of the Information Management Project Plan (revised implementation date – November 2017);
- Carry out a review of Board information (revised implementation date – July 2017);
- Complete review and implement a revised MSFM (revised implementation date – March 2018); and
- Develop and implement revised Directorate structures (revised implementation date – March 2018).

NIFRS' Risk Management Process

NIFRS Assurance Framework and Corporate Risk Management Strategy states 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 eg. 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 and statutory compliance requirements.

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 the 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 2016-17, 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;
- 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; and
- The Corporate Risk Management Group (CRMG), encompassing CMT and the Board Risk Management Champion, meet on a quarterly basis prior to the Audit, Risk & Governance Committee meeting to assess and challenge the emergent risk profile of the organisation.

An Operations Performance and Assurance Framework is in place 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 holds 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 the DoH, detailing information requests received and responded to.

In addition, by virtue of their employment contracts the 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 2016-17 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 moderate level of assurance. 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 8 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 2016-17, there were 5 potential data protection breaches investigated, with 1 breach being reported to the Information Commissioner. This breach remained under investigation at 31 March 2017. The remaining 4 investigations did not require reporting to the Information Commissioner but resulted in improvements in the control environment.

Information Governance

The Information Management Controls Assurance Self-Assessment 2015-16 was independently verified by BSO Internal Audit, who confirmed a limited assurance outcome. In order to move the Information Management agenda, an Information Management Project Lead was appointed from BSO in May 2016 (until May 2018) with a view to prioritising and supporting the delivery of the Information Management Project.

During 2016-17 NIFRS has made significant improvements across the organisation in regards to all aspects of Information Management, and a positive direction of travel against our stated objective of substantive assurance in the annual Information Management Controls Assurance Standard (IM CAS) assessment can be evidenced.

Some of the significant achievements made in 2016-17 include:

- Good Management Good Records - NIFRS in association with the DoH has agreed specific retention and disposal instructions with regards to business records which are unique to NIFRS. This provides clear guidance on how long records should be held and ultimately destroyed and strengthens our adherence to the Data Protection Act 1998;
- Information Management Training - 120 members of staff have received training in key risk areas tailored to specific business needs;
- Information Asset Owner (IAO) Training - NIFRS held its first IAO training course for 19 key members of staff in March 2017. This course provided specific training on why and how key information assets across the organisation are to be protected, managed and maintained;
- Information Management Group (IMG) - key staff members from across NIFRS now regularly meet under the auspices of this group. This group takes the lead on all Information Management matters within NIFRS;
- New Policy and Procedures - NIFRS continued the process of reviewing and strengthening core policies and procedures within NIFRS in regards to all aspects of Information Management. This has seen the creation of new direction in areas such as CCTV and Information Assurance, and the strengthening of direction in other areas such as Data Protection; and
- Privacy by Design - The Information Commissioner’s Office (ICO) guidance on the concept of Privacy by Design is now being applied such that information

privacy is considered at the planning stages of all new projects that NIFRS may undertake.

NIFRS will continue to implement the Information Management Action Plan during 2017-18.

ICT Security Risks

ICT security forms part of the contractual relationship with BSO. A full audit of IT equipment was carried out during 2016-17 along with a network security review. A security action plan was subsequently developed with a view to protecting the data contained within the NIFRS network. Work continues on the implementation of this action plan.

In addition the need for a Disaster Recovery site has been identified and the planning stage will be progressed following implementation of the new Wide Area Network (WAN) in Autumn 2017.

A new ICT Security Policy was implemented on 1 September 2016 (available on all desktops) 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.

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;
- Risk Based 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 & 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 2017 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 the 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 prioritised 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 which were defined by the Department and against which a degree of progress was expected in 2016-17.

The organisation achieved the following levels of compliance for 2016-17:

Standard	DOH Expected Level of Compliance	NIFRS Level of Compliance	Audited by Internal Audit	Change from 2015-16
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)	79.8% (Substantive)	Yes	↔
Environmental Cleanliness	75% - 99% (Substantive)		N/A	
Environment Management	75% - 99% (Substantive)	56.0% (Moderate)	No	↔
Financial Management (Core Standard)	75% - 99% (Substantive)	79.7% (Substantive)	Yes	↔
Fire Safety	75% - 99% (Substantive)	90.0% (Substantive)	No	↔
Fleet and Transport Management	75% - 99% (Substantive)	87.5% (Substantive)	No	↔
Food Hygiene	75% - 99% (Substantive)		N/A	
Governance (Core Standard)	75% - 99% (Substantive)	74.3% (Moderate)	Yes	↔
Health & Safety	75% - 99% (Substantive)	90.5% (Substantive)	No	↔
Human Resources	75% - 99% (Substantive)	80.0% (Substantive)	Yes	↔
Infection Control	75% - 99% (Substantive)		N/A	
ICT	75% - 99% (Substantive)	77.4% (Substantive)	No	↔
Information Management	75% - 99% (Substantive)	61.0% (Moderate)	No	↔
Management of Purchasing	75% - 99% (Substantive)	80.6% (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	
Risk Management (Core Standard)	75% - 99% (Substantive)	81.1% (Substantive)	Yes	↔
Security Management	75% - 99% (Substantive)	54.9% (Moderate)	No	↔
Waste Management	75% - 99% (Substantive)		N/A	

Key ↔	Unchanged Assurance
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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 2015-16 outcomes, there were no significant improvements (eg. movements between assurance levels) noted.

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 3 core standards, minimum compliance was achieved in all areas with the exception of Governance. A total of 6 recommendations for improvement have been made against this standard, including recommendations highlighted under the Risk Management & Financial Management Standards and additional recommendations on 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 Services Organisation (BSO) is NIFRS' independent Internal Auditor and provided this service throughout 2016-17.

BSO Internal Audit has had no executive responsibilities within NIFRS during 2016-17 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.

In 2016-17 Internal Audit reviewed the following systems (see overleaf):



AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED
Finance Audits:	
Payroll	Satisfactory
Pensions	Unacceptable
Non Pay Expenditure	Satisfactory
Bank and Cash	Substantial
Asset Management	Limited
Corporate Risk Audits:	
Management of the Estates Measured Term Contract (MTC)	Unacceptable
Estates Procurement and Contract Management and General Procurement	Limited
ICT Governance	Limited
Station Visits	Satisfactory - Information Governance and Attendance Management Limited - Personal Protective Equipment, Vehicle log books, fuel cards and reconciliation of fuel; security and training
Human Resources Directorate Audit – Learning and Organisational Development	Limited
Governance Audits:	
Risk Management	Satisfactory
Governance	Limited

In their annual report, the Internal Auditor reported that the NIFRS system of control was limited.

This outcome was based on the following assessment:

“Of the 12 assurance assignments undertaken during 2016/17, 67% of assignments contained limited or unacceptable assurance. Furthermore there is still a considerable volume of outstanding recommendations that require further action (albeit this is reducing) and the organisation has not achieved the required substantive compliance with the Governance Controls Assurance Standard”.

In 2015-16, the Comptroller & Auditor General (C&AG) expressed concern

regarding the number of outstanding recommendations and whilst not qualifying his audit opinion on the accounts of NIFRS, he 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 stated:

“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.”

The following movements were noted in terms of outstanding recommendations during 2016-17:

	Number
Number of Open Recommendations 01/04/16	380
Number of Recommendations added during 2016/17 (following AR&GC approval)	183
Number of Recommendations Closed during 2016/17	(340)
Total as at 31 March 2017	223

In 2016-17, the Comptroller & Auditor General (C&AG) again expressed concern regarding the number of outstanding recommendations and whilst not qualifying his audit opinion on the accounts of NIFRS, he stated:

“Whilst I acknowledge that progress has been made in the current year in addressing some of the outstanding issues identified by Internal Audit over several years, I remain concerned by the large number that have still to be fully implemented and that serious issues still continue to be identified. It is my view that it is crucial that these issues are addressed without delay.”

A number of weaknesses in control were identified in a number of areas as detailed below:

Audit Title, Assurance Level & Number of Priority 1 Findings	Details of Findings
Payroll - 3 priority 1 findings Satisfactory	<ul style="list-style-type: none"> • Both payroll systems have limited system functionality and require significant manual input and workarounds/ add-ons which increases the amount of time spent on payroll and also increases the risk of human error. There is a significant reliance on the 2 payroll supervisors in terms of the systems themselves and system add-ons. • There is currently 1 generic log in for the retained payroll system. • A documented authorisation framework for payroll related transactions is not in place.

Pensions – 1 priority 1 finding

Unacceptable

- In relation to pension processing:
 - NIFRS has processed every pension calculation manually for a period in excess of two years (from December 2014 until present day) without the use of any automated pension system over that period. The risk of inaccurate calculations being performed increases when they are performed manually. This risk is further increased given the complexity of the calculations.
 - There is a backlog in calculations to be processed, given the length of time it takes to perform the manual calculations.
 - Only 2 staff have been involved in manual pension processing on behalf of NIFRS over the last financial year; 1 of whom is an agency staff member and the other the Head of Finance. Both staff members also have responsibilities outside of pensions processing. The very heavy reliance on the Head of Finance as the only substantive staff member in NIFRS with skills in this area represents a material risk to the organisation.
 - There is no staff member in NIFRS that has a professional qualification in pensions; or who has received recent training in pensions.
 - Given the small team working on pensions, there is limited segregation of duties in pension processing.
 - NIFRS no longer has access to the pension system that was used in 2014. The consequence of this is that NIFRS has had to submit pension data manually to GAD to allow them to complete their actuarial valuations. This has been a very labour intensive piece of work.
 - Management indicate pension data is currently being collated for 2016 to enable GAD to perform their 2019 valuation of the schemes. This again will be a manual process with increased risk that errors could occur. The submission of accurate information to GAD is very important as they will use it to determine employer contributions for the period from 2019 to 2023.
 - In the absence of an automated system, NIFRS has been unable to issue Annual Benefit Statements to Scheme Members. This represents a breach of legislation. Management indicate that both the Department of Health and the Pensions Regulator have been informed of this and that the Pensions Regulator is monitoring this situation closely. The absence of benefit statements also has potential implications for the scheme members themselves.

	<ul style="list-style-type: none"> - In the absence of an automated pension system, NIFRS is also currently unable to check whether any scheme member has breached their annual allowance tax limit (£40k). The consequence of this is that there may be scheme members who owe a tax liability to HMRC that they are not currently aware of. - NIFRS' aim over the last financial year had been to outsource pension administration to BSO Pensions. Before transferring to BSO, however, NIFRS has had to procure an automated system to administer NIFRS pensions. Both obtaining approval of the business case and the subsequent procurement exercise for this system have been protracted and both have been difficult. While a contractor has won the tender, significant clarifications and queries have subsequently ensued with the supplier and a contract is yet to be signed. This increases the risk of further delaying the transition of pension administration from NIFRS to BSO and the need to continue to process pension calculations manually at high risk in the interim.
<p>Asset Management – 2 priority 1 findings</p> <p>Satisfactory</p>	<ul style="list-style-type: none"> • Internal Audit reviewed the RAM Asset Register (as at May 2016). Excluding land and buildings, there are 665 assets out of 1,957 asset lines (34%) that do not have a unique number recorded on RAM to ensure the assets can be traced. • Coding spend to business cases in an inconsistent manner increases the risk of all related spend not being allocated to the relevant business case.
<p>Management of the Estates Measured Term Contract (MTC) – 6 priority 1 findings</p> <p>Unacceptable</p>	<ul style="list-style-type: none"> • 43 of the 50 orders and payments tested did not have evidence of quotations from the contractor (in advance of the work) available to view on the Docuware system. • There is inadequate evidence that NIFRS has confirmed that MTC work has been completed to a satisfactory standard: <ul style="list-style-type: none"> - DoH guidance states that Desk Checking of works and Independent Site Re-measures must be undertaken by a suitably qualified and experienced Senior Quantity Surveyor. NIFRS do not currently employ a Quantity Surveyor and work is not checked through a contracted external consultant. - There is a limited audit trail available to evidence that Estates Staff have confirmed that work has been performed to a satisfactory standard prior to payments being made. - 41 from 50 payments tested had no evidence to verify that a check had been carried out.

- 1 approved Business Case had a value of £53,946 and related to the refurbishment of the reception area at NIFRS HQ. This Business Case was approved in January 2016 and recommended that the MTC be used; contrary to contractual / procurement limits. It should be noted that total orders raised against this scheme to date are only £4k. Since the review of the Portrush District Fire Station scheme, this work was halted and will not progress further until new contract arrangements begin with CPD.
- Financial reports made available to budget holders do not identify total MTC spend against approved Business Case totals. Coding of spend to Business Cases has only recently been introduced; however this is being done in an inconsistent manner. Internal Audit reviewed a sample of 50 orders raised against the MTC contract in 2015/16. The following was noted in respect of orders placed for Fixed Wire Testing:
 - A Business Case, totalling £87,621, for inspection and testing of Fixed Wiring installations across NIFRS was approved in February 2012 for a 5 year period. The earlier work in the Western and Southern areas was procured through 2 contracts, the later work was completed under the MTC.
 - Spend has not been consistently coded to the Business Case; and as a consequence Internal Audit cannot provide assurance that figures provided as spend against this project are accurate. Indeed through testing, Internal Audit identified invoices relating to this project totalling £15,498.28 which had not been coded to the Business Case.
 - The current MTC delivered work for Northern, Eastern, Headquarters and Training Centre. In February 2015 a final cost summary for £30,624.30 was submitted to NIFRS. The NIFRS Senior Estates Officer requested that this final cost summary be split across the 3 areas the work related to. Given that the total cost of the works exceeded £30k, however, and given that the works were similar in nature, these should have been procured through e-tendering. Internal Audit appreciate that the MTC specifies orders can go through up to a value of £45k in exceptional circumstances. However, no audit trail was available to show that these works were treated as an exceptional circumstance by NIFRS. Discussions with staff indicated they are not fully aware of what constitutes exceptional circumstances. Internal Audit notes that 3 separate work requests were raised in Oakleaf for these works.

	<ul style="list-style-type: none"> • A Business Case for £19,500 was approved in August 2015 for Minor alterations to NIFRS HQ. The Business Case value was £19,500; however this has been exceeded by £4,386.29. CMT has recently given retrospective approval for this additional spend, however, approval should have been in place prior to the work being conducted. • Contract monitoring reports, issued to Budget Holders, report total value of MTC orders raised as opposed to invoices raised/received. This current method of reporting does not reflect amendments such as cancelled orders and credit notes.
<p>Estates Procurement and Contract Management and General Procurement – 3 priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> • There is a lack of robust control in place for the management of the relationship with Properties Division (PD) for the delivery of Estates Services to NIFRS. While it is appreciated that NIFRS has made significant efforts with PD to resolve this, Internal Audit noted: <ul style="list-style-type: none"> - There is no contract or Service Level Agreement in place between NIFRS and PD for the provision of services to be delivered. - Roles and responsibilities of both NIFRS and PD have not been formally defined or clarified. - NIFRS has not received any formal assurances reports from PD regarding the delivery of services. - Key Performance Indicators (KPIs) are not in place to allow delivery of the service to be effectively measured. - There is currently no oversight of whether jobs are being completed within assigned response time. - NIFRS indicated that it is the responsibility of PD to confirm that the rates charged are accurate; however, this is not defined in a SLA between PD and NIFRS. NIFRS has paid invoices without being able to confirm (or be provided with formal assurance) that the rates charged were accurate. NIFRS also indicates that PD is responsible for checking that the services are delivered to the specified standard before NIFRS makes payment. This is not formally documented, however, in a SLA. • There is a lack of permanent staffing stability in the Estates Department. 8 out of 11 Estates Department posts are either vacant, held by staff on long term sick leave, held by staff on modified duties or consist of agency staff.

	<ul style="list-style-type: none"> • Internal Audit reviewed 10 contracts and 5 Direct Award Contracts (DACs) and their associated Business Cases: <ul style="list-style-type: none"> - Financial reports made available to budget holders do not identify total contract spend against approved Business Case totals. It is only in the last financial year that NIFRS staff have been required to enter Business Case reference numbers against requisition raised. Before this there was no link between spend and Business Case approved levels. For 2 Business Cases reviewed, no assurance of total spend could be provided. Internal Audit appreciate that these Business Cases began in 2014 (14-06 and 14-09) and since then NIFRS has strengthened controls to monitor these on the finance system. - On 3 out of 5 occasions, the contract commenced before the DAC was approved; with the longest delay in approval being over 6 months. - For 2 out of 5 Direct Award Contracts reviewed, the supporting Business Case was approved after the contract commenced, with the longest delay in approval being 3 months after the contract commenced. Management indicates that whilst a contract had been awarded no spend against the contract had been incurred. Nevertheless in signing a contract a commitment to spend was entered.
<p>ICT Governance – 3 priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> • Aged IT Infrastructure - A number of significant risks associated with aged IT infrastructure remain in relation to: Disaster Recovery; Citrix Access Gateway; Gartan Retained Availability server; Third Party Remote Access; Server operating system; IT asset management; WAN Replacement; Service Management Processes; NIFRS CMT, Board and Committee monitoring; knowledge of Administrator passwords on network equipment; delays in network links between NIFRS and BSO; transfer of NIFRS IT staff to BSO; and cost increases leading to delays in projects. • Command and Control - A number of significant risks remain including: expiry of support and maintenance for the current Command and Control system; dependency on the WAN project; possible delays arising from the joint procurement model; and dependency on reconfiguration of the current physical room infrastructure. • Equipment Inventories - Internal Audit observed that risks identified in the March 2014 Internal Audit report in relation to NIFRS stock and inventory management systems remain. Whilst a NIFRS Stock and Inventory Project to help address these risks has commenced there has been modest progress to date.

Station Visits – 7 priority 1 findings

Satisfactory - Information Governance and Attendance Management

Limited - Personal Protective Equipment, Vehicle log books, fuel cards and reconciliation of fuel; security and training

- At the time of audit site visit to Cadogan Station, the last amount of fuel taken from the fuel pump was 38 litres. Fuel was recorded as issued by the Duty Officer and received by a Firefighter. In the Duty Officer's absence, we understand that the receiving officer had typed the Duty Officer's number beside the entry on the electronic log and had therefore taken the fuel without appropriate authorisation.
- The fuel reading on the pump was 52 litres less than the log maintained. This had already been identified by Station staff and highlighted to the Watch Commander for investigation.
- Internal Audit reviewed the Training Database at each site visited and noted areas of non-compliance across all Districts and Stations visited.
 - Road Traffic Collision courses have not been completed within the last 3 years by 26.6% of applicable Firefighters sampled. Staff at sites visited were not up-to-date with their First Person on the Scene training (FPOSI), Emergency Fire Appliance Driver (EFAD) and Emergency Light Vehicle Driver (ELVDS) training.
 - There is no guidance which outlines to staff how frequently, or how many staff at each location, are required to have First Aid Training. First Aid Training has not been completed by any staff within the last 6 years at South and Eastern District, or by any staff within the last 9 years at Cookstown District.
 - All retained staff have to complete 7 Critical Safety Days training. Internal Audit reviewed compliance with this at the 4 Retained Stations visited and noted gaps across all Stations.
- 11 out of 33 PPE records tested were inaccurate or incomplete. Internal Audit reviewed a total of 615 items as per the PPE register and noted:
 - 19 items of PPE on the register were no longer held by staff.
 - 7 items of PPE were identified which were held by staff but not included on their PPE registers.
 - Issues in relation to PPE checks were noted at 7 of the 8 sites visited. Some quarterly checks were not recorded as appropriately authorised.
- Fuel cards used for the fire cars/appliances are not stored securely inside vehicles. Fuel cards are not protected by PIN numbers.

	<ul style="list-style-type: none"> • The following was noted when reviewing security arrangements: <ul style="list-style-type: none"> - As per the Controls Assurance update presented to the Audit, Risk & Governance Committee in April 2016, a Security Policy was noted to have been developed. A Security Policy has not yet been developed; however a high level Security Framework has been drafted. None of the processes and roles referred to in the Framework are operational. This Framework, and any supporting policy guidance and procedures, has been issued to staff to outline security arrangements that should be in place at Station level. - Internal Audit was unable to verify that key registers had been completed and returned to HQ for 5 of the 8 Stations visited. There is also a lack of consistency in what is being recorded on registers submitted. • Security issues were noted at all 8 Stations visited.
<p>Human Resources Directorate Risk Audit – Learning and Organisational Development – 5 priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> • There is currently no Learning Management System in place in NIFRS. In the absence of this, NIFRS has adopted a number of work around solutions; however, these present a number of challenges particularly around reporting and the usefulness of the information provided is not real time or as useful as what it could or should be. It is appreciated that a Business Case for a new Learning Management System was approved by the Department of Health in August 2016 and is expected to be operational by the end of the 2016/17 financial year. • Review of Breathing Apparatus and Compartment Fire Fighting Training highlighted: <p>Breathing Apparatus (BA) -</p> <ul style="list-style-type: none"> - 146 (8%) of 1,789 staff have not completed BA refresher training on a timely basis, that is, within the past 2 years. - Internal Audit appreciates that for the 12 month period to October 2016, 27.75% of available places on BA courses were not filled. - 92 out of 1,789 staff had no flag indicator recorded against them in relation to the status of their training (green, amber or red), though it is appreciated many of these relate to merged records, for example, if a Firefighter is both a Retained and Wholetime Firefighter. Internal Audit reviewed 10 of these and found that 1 out of 10 personnel tested had actually completed the BA training but this had not been recorded on the Traffic Lights Database. - In 4 out of 30 instances, the attendance forms for courses had not been signed or dated by any of the 4 course instructors.

Compartment Fire Fighting Training (CFFT) -

- 153 (5%) of 1,789 staff (9%) have not completed CFFT on a timely basis, that is, within the past 3 years.
 - For the 12 month period to October 2016, 37.66% of available places on CFFT courses were not filled.
 - 190 of 1,789 personnel had no flag indicator recorded against them in relation to the status of their training (green, amber or red). 7 out of 10 staff reviewed have never completed Compartment Fire Fighting Training.
 - 1 out of 30 course attendance forms tested were not appropriately signed off by any of the course instructors, of which there should be 4.
 - Management indicated that staff may not have attended training due to a number of reasons including sickness, modified duties and secondments to other roles.
- Internal Audit reviewed Core Skills training for both Wholetime and Retained personnel. Significant levels of non-compliance were noted across both and it was found there is a lack of centralised control to ensure compliance for Wholetime personnel. Discussions with Senior Staff indicated it is rarely achievable for all Core Skills training to be completed in a year as required. Internal Audit selected a sample of 10 retained staff who had been recorded as having completed the training on the Training and Tracking Database. On 1 occasion, detail of the course attended had been recorded inaccurately.
 - Management has reviewed the organisational structure for the HR Directorate. While the new structure is reflective of the needs of the organisation, (when compared to the old structure) it has not yet been fully populated and is not yet fully embedded. At the time of fieldwork there were 15 (30%) vacant posts; there were a limited number of instructors available to carry out mandatory operational training courses; and there was currently no Quality and Improvement team in place. Internal Audit appreciates interviews for 4 positions within this team are scheduled for November 2016.
 - There are currently 6 draft policies in place in relation to the area of Learning & Organisational Development which are not yet operational. In addition, while NIFRS has a Core Skills Training Framework in place, this has not been reviewed since March 2013.

<p>Governance – 2 priority 1 findings</p> <p>Limited</p>	<ul style="list-style-type: none"> • At 31 December 2016, while Management reported good progress with implementation of outstanding audit recommendations, there remained 287 (39%) that still require implementation. These included a number of material governance related recommendations across the organisation, which when implemented, will enhance the governance and control environment in NIFRS. These include, for example, the need to complete the organisational structural review; the need to populate staffing structures substantively; development and implementation of policies and procedures on a timely basis across a range of areas; development and better corporate oversight of staff training; and the need to proactively drive forward improvements in areas such as ICT, information governance, asset management, procurement and contract management and stock management. • While work has been undertaken to review and update corporate documents, these have not been operational throughout the financial year: <ul style="list-style-type: none"> - Updated Standing Orders and SFIs were approved by the Department of Health and subsequently went live on 31 March 2017. - The Scheme of Delegation was approved by the Department of Health and subsequently went live on 31 March 2017. - NIFRS has reviewed and revised their Gifts and Hospitality Policy. This policy will be finalised pending S75 equality screening. It is anticipated this policy will be operational by 30 June 2017.
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Recommendations to address these control weaknesses have been or are being implemented.

Acknowledging that 7 of the 12 audit assignments detailed above resulted in a Limited or Unacceptable Assurance, and another 1 resulted in partial Limited Assurance, I as Accounting Officer, tasked CMT with progressing the implementation of 13 existing 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, eg. 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 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
2015-16	CETV Calculation Whistleblowing query re: NIFRS' handling of a CETV calculation error made by a third party contractor engaged by them.	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. One 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. 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 DoH.	BSO Internal Audit investigated this case on behalf of DoH.	Closed – BSO Internal Audit investigated this case on behalf of DoH. An outcome report was presented to the Audit, Risk & Governance Committee on 2 February 2017. The option of an Internal Dispute Resolution Procedure (IDRP) was offered to the complainant who opted to settle with the third party contractor.

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2015-16	<p>Contract Management – expired Catering & 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 & 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 & Probity Services.</p>	<p>Closed – A final report was received from BSO Counter Fraud and Probity Service (CFPS) which recommended procedural improvements, but states that there was insufficient evidence to warrant any legal proceedings. This report was presented to the AR&GC on 13 September 2016. On behalf of NIFRS, the Director of Finance negotiated with the supplier to resolve outstanding payment issues and a final payment relating to the catering contract had been held pending the outcome of these discussions. A credit note was received on 23 September 2016 and was off-set against the amount outstanding. A final payment was subsequently made.</p>

Prior Year Issues – Ongoing

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2008-09	<p>Delivery & Innovation Division (DID) Report</p> <p>Failure to comply with internal controls governing the job evaluation process.</p>	<p>Due to an issue regarding Directors' Pay detected in 2008-09 the DoH commissioned the Delivery & Innovation Division within the Department of Finance to undertake an independent review of NIFRS which examined its performance, fitness for purpose, relationship with the Department, role of the Chairperson 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>Outstanding DID recommendations are being managed as part of the Business Improvement process which encompasses all outstanding recommendations irrespective of source. Quarterly updates are provided to the Audit, Risk & Governance Committee and formal updates are being provided to DoH bi-annually.</p>	<p>Ongoing - at 31 March 2017 one DID recommendation remained outstanding. The remaining recommendation relates to the development of an intranet solution which will be progressed following completion of the replacement WAN Project. Current WAN project timeline estimates completion of rollout by December 2017.</p> <p>Timescales for Resolution & Closure – 31 March 2019</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2013-14	Estates Issues have been identified in terms of performance capacity.	A number of process, system and control issues were detected by Internal Audit during their 2012-13 Audit of Estates and these were further reiterated in an Internal Audit review of the Estates Measured Term Contract in 2016-17.	The MTC provision and related Estates processes, systems and control issues have been revised. MTC provision and related SLA require review and development.	<p>Ongoing - 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. NIFRS entered into a new Measured Term Arrangement via a Properties Division Framework. This arrangement commenced on 13 June 2016 and runs until 31 March 2018. Concurrently, processes and procedures within the estates function have been reviewed and revised.</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 is now being implemented. A supporting Property Asset Management Plan has been developed to support the Strategy.</p> <p>NIFRS are currently working with the CoPE regarding future service delivery.</p> <p>Timescales for Resolution & Closure – 31 March 2018</p>

Internal Governance Issue		How Issue Arose	Remedial Action	Update and Timescales	
Year					
2013-14	Information Governance	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.	NIFRS has not been able to access systems developed by DoH 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.	A Working Group, led by an Information Management Project Lead, has been established to address these issues identified in the Controls Assurance exercise.	<p>Ongoing - Given the risk around Information Governance, NIFRS management working with BSO, whilst taking cognisance of the requirements of the Organisational Change Policy, filled a fixed term Information Management Project Lead role. This role has been filled since 23 May 2016 and the Project Lead has developed and is working to implement a project plan aimed at attaining the required assurance level by 31 March 2018.</p> <p>Timescales for Resolution & Closure – 31 March 2018</p>
2014-15	Accommodation Leases	Removed delegated authority with respect to office accommodation leases.	<p>PEL(14) issued in August 2014 removed NIFRS' delegated limit for office accommodation leases and required that NIFRS produces Strategic Outline Business Cases (SOC) for approval by Department of Finance (DoF) 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, NIFRS requires approval from DoF through DoH for an extension of the office leases.</p> <p>Until approval is obtained all payments against these leases will be irregular in nature.</p>	<p>Ongoing – Whilst prior approval was not in place for leases, NIFRS has always been informed that no retrospective approval would be given.</p> <p>NIFRS has worked diligently with DoH colleagues over the past number of months to ensure compliance going forward and have submitted all appropriate documentation to become compliant by September 2017 (dependent on departmental approvals).</p> <p>During 2016-17 irregular spend of £143,012 relating to 6 leases was noted. At the beginning of 2017-18, 4 leases remain unapproved and irregular spend of £7,111/month is being accumulated. A breakdown by lease location is provided below:</p>

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales																					
				<table border="1"> <thead> <tr> <th>Lease Location</th> <th>Irregular Spend 2016-17 (£)</th> <th>Monthly Spend during 2017-18 (£) *</th> </tr> </thead> <tbody> <tr> <td>Ballymena Fire Safety, Henry St., Ballymena</td> <td>£20,896</td> <td>£1,741</td> </tr> <tr> <td>Downpatrick District Council, Downshire Estate, Downpatrick</td> <td>£22,426</td> <td>£1,869</td> </tr> <tr> <td>Cookstown District Office, Kilcronagh Business Park</td> <td>£19,030</td> <td>£1,586</td> </tr> <tr> <td>Larne Temporary Fire Station, Redlands Road, Larne</td> <td>£33,483</td> <td>**</td> </tr> <tr> <td>Dunmurry Fire Station, City Business Park</td> <td>£22,976</td> <td>£1,915</td> </tr> <tr> <td>BIA Training Facility,</td> <td>£24,201</td> <td>**</td> </tr> </tbody> </table>	Lease Location	Irregular Spend 2016-17 (£)	Monthly Spend during 2017-18 (£) *	Ballymena Fire Safety, Henry St., Ballymena	£20,896	£1,741	Downpatrick District Council, Downshire Estate, Downpatrick	£22,426	£1,869	Cookstown District Office, Kilcronagh Business Park	£19,030	£1,586	Larne Temporary Fire Station, Redlands Road, Larne	£33,483	**	Dunmurry Fire Station, City Business Park	£22,976	£1,915	BIA Training Facility,	£24,201	**
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				<p>* Pending Departmental approval the following irregular spend will accumulate on a monthly basis during 2017-18</p> <p>** These sites are compliant and have SOCs in place, no irregular expenditure in 2017-18.</p>																					

Internal Governance Issue		How Issue Arose	Remedial Action	Update and Timescales
2014-15	Asset Management (including Inventory)	Issues with existing asset management systems and processes noted.	<p>During an Asset Management Audit 2013-14 significant control weaknesses were noted and recommendations for improvement made.</p> <ul style="list-style-type: none"> An Asset Management Working Group has been established to review the process including methods of data capture, recording protocols, checking processes, acquisitions / disposal / movements. Organisational responsibility has transferred to the Director of Operational Support who will be overseeing work in each of the workstreams. 	<p>Ongoing – A PID has been developed for the Inventory Management Business Improvement Project. Work commenced in early 2016-17. The work programme may take 3-5 years to fully complete, however, if dedicated resources can be found this time could be halved.</p> <p>Timescales for Resolution & Closure – 31 March 2019</p>
2014-15	ICT	Issues with existing business and operational ICT systems.	<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 has also been identified.</p> <ul style="list-style-type: none"> An exercise will be carried out to prioritise recommendations made in the BSO IT Technical Report and to determine a plan going forward. NIFRS are currently discussing this matter with all relevant parties with a view to establishing a workable arrangement agreeable to all parties. 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. 	<p>Ongoing – Following a Technical Review, a prioritised 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>Timescales for Resolution & Closure – 31 March 2019</p>

Internal Governance Issue		How Issue Arose	Remedial Action	Update and Timescales
Year 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 NIFRS works with BSO PaLS on future service provision, the established procurement provision remains unchanged and continues to be supported by CoPE arrangements that have been extended to 31 March 2018.	Ongoing – A Procurement Review was carried out by BSO PaLS and a report focusing on procurement processes was provided to NIFRS. NIFRS are currently liaising with BSO PaLS regarding the staffing of the future service delivery model. In the meantime interim CoPE cover is in place. Timescales for Resolution & Closure – 31 March 2018
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. The lack of pension software has left NIFRS non-compliant with legislation as they are currently unable to issue Annual Benefit Statements. This issue has been notified to the Pensions Regulator.	Whilst CMT negotiate contractual arrangements around future service provision, temporary cover is being provided through the Financial Accountant.	Ongoing – NIFRS has procured a pensions system and a SLA has been developed with BSO to provide pension administration services to NIFRS. This SLA will be utilised for advice purposes whilst the new pension software is being put in place. The software acquisition is going through the procurement process which is expected to be completed in October 2017. Timescales for Resolution & Closure – 31 March 2018

Year	Internal Governance Issue	How Issue Arose	Remedial Action	Update and Timescales
2015-16	<p>Contract Management – 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"> • A Business Case for £59k was drafted in August 2015 and approved by CMT; • 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); • In January 2016 internal checks highlighted that invoices (£186k) received from the contractor for works materially exceeded the approved Business Case; and • 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. <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. A revised Business Case was developed and presented to the Board. BSO Internal Audit conducted an independent review on the matter and produced a report outlining improvements required to prevent recurrence. 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 complete 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. A Single Tender Action (STA) request was also submitted to CPD-HP who amber rated and signed this off as the recognised CoPE. Following completion of all of the above actions the Board approved the revised Business Case and payment was made.</p>	<p>Ongoing – 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. The Board are working with BSO to determine a way forward.</p> <p>Timescales for Resolution & Closure – 30 September 2017</p>

Current Year Issues

There were no new divergences detected during 2016-17.

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 (MPMNI).

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 implemented 13 Business Improvement Projects focused on reducing the volume of outstanding recommendations through improved:

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

Work continued in all 13 project areas during 2016-17 and progress is being monitored, via formal written updates, by the Audit, Risk & Governance Committee on a quarterly basis.

The Statement of Financial Position as at 31 March 2017 shows net liabilities of £816,565k, reflecting liabilities due in future years. It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the cash required to discharge these net liabilities will be requested from the Department when they fall due, and is shown in the Statement of Changes in Taxpayers' Equity. Therefore there is no liquidity risk in respect of the liabilities due in future years.

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 2016-17.

Accounting Officer: _____

Date: _____



2.2 REMUNERATION AND STAFF REPORT

2.2.1 Remuneration Report

Governance Overview

As per NIFRS Standing Orders Appendix C, 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
- Senior Management Succession Planning

As at 31 March 2017, the membership of the Remuneration Committee was as follows:

- Ms C McKinney, Chairperson
- Mr K Henning
- Mr P Martin

The Committee met on the following occasions during the year ended 31 March 2017:

- 28 June 2016
- 8 September 2016
- 27 September 2016
- 20 October 2016
- 4 November 2016
- 24 January 2017
- 10 March 2017

The governance arrangements for the NIFRS Board consist of a Chairperson, the Chief Fire & Rescue Officer and 10 non-executive Members, 4 of whom are District Councillors.

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

Remuneration and Pension Interests for the year ended 31 March 2017

Details of the Chairperson's, non-executive Members' and Corporate Management Team's remuneration and pension interests for the year ended 31 March 2017 are set out on the following pages 83-85.

The Payment of Remuneration of Chairpersons 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 DoH advises 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	2016-17				2015-16			
	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	Total £'000
Non-Executive Members								
C McKinney Chairperson (from 01/07/15)	25-30	200	-	25-30	15-20 FYE 25-30	300	-	15-20
A Hanna (to 31/05/16)	0-5	-	-	0-5	5-10	-	-	5-10
J Barbour	5-10	100	-	5-10	5-10	-	-	5-10
G Smyth	5-10	600	-	5-10	5-10	300	-	5-10
K Henning	5-10	400	-	5-10	5-10	200	-	5-10
C Enright (from 01/09/15)	5-10	200	-	5-10	0-5 FYE 5-10	-	-	0-5
R Irvine (from 01/09/15)	5-10	800	-	5-10	0-5 FYE 5-10	200	-	0-5
P Martin (from 01/09/15)	5-10	-	-	5-10	0-5 FYE 5-10	-	-	0-5
J McKee Chairperson (to 30/06/15)	-	-	-	-	5-10 FYE 25-30	700	-	5-10
M Carr (to 31/08/15)	-	-	-	-	0-5 FYE 5-10	-	-	0-5
G Rice (to 31/08/15)	-	-	-	-	0-5 FYE 5-10	-	-	0-5
T Wright (to 30/04/15)	-	-	-	-	0-5 FYE 5-10	-	-	0-5
A Watson (to 30/06/15)	-	-	-	-	0-5 FYE 5-10	-	-	0-5

		2016-17			2015-16			
NAME	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	TOTAL £'000	Salary £'000	¹ Benefits in Kind (to nearest £100)	⁴ Pension Benefits (to nearest £1000)	Total £'000
Executive Members								
⁵G Thompson Chief Fire & Rescue Officer	100-105	-	213,000	315-320	75-80 FYE 85-90	500	32,000	110-115
⁶D Ashford Assistant Chief Fire & Rescue Officer	100-105	-	47,000	145-150	100-105	300	48,000	145-150
⁷M Graham Assistant Chief Fire & Rescue Officer – Operational Support	85-90	-	(16,000)	70-75	70-75 FYE 85-90	-	29,000	100-105
⁸A Walmsley Assistant Chief Fire & Rescue Officer – Community Protection	85-90	-	28,000	115-120	75-80 FYE 85-90	-	35,000	110-115
⁹J Wallace Chief Executive (Interim) (to 30/06/15)	-	-	-	-	20-25 FYE 90-95	2,400	-	25-30
¹⁰C Kerr Chief Fire & Rescue Officer (Interim) (to 12-05-15)	-	-	-	-	10-15 FYE 95-100	-	5,000	15-20
J Kelly Director of Finance	65-70	-	20,000	85-90	65-70	-	31,000	95-100
D Moore Director of Human Resources	65-70	100	19,000	80-85	65-70	-	27,000	90-95
L Cuddy Director of Planning, Performance & Governance	60-65	-	21,000	85-90	65-70	-	22,000	85-90
Highest Earner's Total Remuneration (£'000)			100-105			100-105		
Median Total Remuneration (£)			30,873			30,358		
Ratio			3.3			3.4		

2016-17						
NAME	² Accrued pension at age 60/65 as at 31/03/17 and related lump sum £'000	³ Real increase in pension at age 60/65 as at 31/03/17 and related lump sum £'000	CETV at 31/03/17 £'000	CETV at 31/03/16 £'000	Real increase in CETV in CETV £'000	
Executive Members						
⁵ G Thompson Chief Fire & Rescue Officer	40-45	11	635	449	181	
⁶ D Ashford Assistant Chief Fire & Rescue Officer	55-60	3	1,316	1,247	56	
⁷ M Graham Assistant Chief Fire & Rescue Officer – Operational Support	35-40	0	851	578	268	
⁹ A Walmsley Assistant Chief Fire & Rescue Officer – Community Protection	40-45	2	603	552	45	
¹⁰ C Kerr Chief Fire & Rescue Officer (Interim)	-	-	-	1,498	-	
J Kelly Director of Finance	25-30	2	190	171	12	
D Moore Director of Human Resources	15-20	1	183	166	10	
L Cuddy Director of Planning, Performance & Governance	0-5	1	45	28	11	

Notes

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 1% increase for 2016/17 (0% for 2015/16).
- 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 Chief Fire & Rescue Officer on 7 November 2016 (temporary Assistant Chief Fire & Rescue Officer prior to this date).
- 6 Reverted to Assistant Chief Fire & Rescue Officer on 7 November 2016 (Interim Chief Fire & Rescue 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 2016 and 2017 CETVs have been calculated as if the member were a pensioner.

- 7 Temporary appointment to Corporate Management Team from 1 to 30 April 2015 and from 1 July 2015. This member is over 50 years of age with more than 25 years of service and therefore could retire and receive pension benefits immediately. The 2017 CETV has been calculated as if the member were a pensioner.
- 8 Temporary appointment to Corporate Management Team from 1 May 2015.
- 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 2016 CETV has been calculated as at the date of leaving.

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 2016-17 was £100,000-£105,000 (2015-16: £100,000-£105,000). This was 3.3 times the median remuneration of the workforce, which was £30,873 (2015-16: £30,358).

In 2016-17, remuneration ranged from the band £0k-£5k to £100k-£105k (2015-16: £0k-£5k to £100k-£105k).

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

Median Total Remuneration

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

Highest Earner's Total

There is no change in the remuneration band of the Highest Paid Director between 2015-16 and 2016-17.

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.

Support Directors

Pension Scheme Information

The pension benefits of the Support 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% - 8.5% 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 3 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 Support 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 3 month notice period applies. No compensation for early retirement was paid to Support Directors during the year.

Mileage Allowances

The Support 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

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

Sickness

Support Directors are entitled to sickness benefit of 6 months full pay followed by 6 months half pay, after 5 years' service.

Uniformed Officers

Pension Scheme Information

Pension benefits for the Interim Chief Fire & Rescue Officer and Assistant Chief Fire & Rescue 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 & Rescue 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 2 or 3 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 & Rescue Officer and Assistant Chief Fire & Rescue 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 Assistant Chief Fire & Rescue Officers' salaries are based on approximately 75% of the Chief Fire & Rescue 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 6 months full pay, followed by 6 months half pay.

Signed: _____(Accounting Officer)

Date: 27 June 2017

2.2.2 Staff Report

Off-Payroll Engagements

NIFRS is 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' engagements exceeding this cost threshold during 2016-17.

	Number of Staff
Off-Payroll Staff as at 1 April 2016	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 2017	0

Staff Numbers and Related Costs (Audited Information)

Staff Costs	2017			2016
	Permanently employed staff £'000	Other £'000	Total £'000	Total £'000
Wages and Salaries	46,383	767	47,150	47,972
Social Security Costs	4,177	-	4,177	3,172
Other Pension Costs	11,144	-	11,144	11,211
Total Staff Costs reported in Statement of Comprehensive Net Expenditure	61,704	767	62,471	62,355
Staff Costs exclude £38,862 charged to Capital Projects during the year (2016: £25,533)				

Number of Persons Employed

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

	2017			2016
	Permanently employed staff	Other	Total	Total
	No.	No.	No.	No.
Chairperson	1	-	1	1
Board Members	6	-	6	7
Firefighters (Full-time)	835	-	835	859
Firefighters (Part-time)	946	-	946	948
RCC Personnel	56	-	56	50
Administrative/Manual	192	-	192	204
Agency/Temporary	-	37	37	32
Total average number of persons employed	2,036	37	2,073	2,101
Less average staff number relating to capitalised staff costs	(1)	-	(1)	(1)
Total net average number of persons employed	2,035	37	2,072	2,100

Senior Employees' Remuneration

Please refer to the Remuneration Report on page 82 of the Annual Report.

Staff Benefits

	2016	2015
	£'000	£'000
Staff Benefits	-	-
	-	-

Retirements due to Ill-Health

During 2016-17, there were 19 early retirements (2015-16:19) from NIFRS agreed on the grounds of ill-health. The pension liabilities, in respect of the 2 and 4 times pensionable pay relating to ill-health retirees, was £999,330 (2015-16: £745,733). The costs borne by NIFRS Operating Account in 2016-17 in respect of these 19 ill-health retirees was £457,524 (2015-16: £97,296).

NIFRS Staff Composition

As at 31 March 2017, NIFRS directly employed 2,027 people in operational and support roles.

	Total	Male	Female
Uniformed and Non-Uniformed Directors	7	5	2
Wholetime Firefighters*	814	790	24
Retained Firefighters	955	920	35
Regional Control Centre Personnel	55	21	34
Support Staff**	196	77	119
Total	2027	1813	214

*Wholetime Firefighters figure includes 2 employees on a career break

** Support Staff figure includes 2 employees on a career break

***Agency Staff and Board Members composition are not included in the above table

Expenditure on Consultancy

NIFRS incurred no external consultancy expenditure in 2016/17.

Exit Packages

Reporting of early retirement and other compensation scheme – exit packages:

Exit package cost band	Number of compulsory redundancies		*Number of other departures agreed		Total number of exit packages by cost band	
	2017	2016	2017	2016	2017	2016
< £10,000	-	-	-	1	-	1
£10,000 - £25,000	-	-	1	2	1	2
£25,001 - £50,000	-	-	1	-	1	-
£50,001 - £100,000	-	-	3	3	3	3
Total number of exit packages by type	-	-	5	6	5	6
	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	-	-	265	254	265	254

Voluntary Severance*

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 the Public Sector Transformation Fund (Ill-health retirement costs are met by the Pension Scheme and are not included in the table).

Attendance Management

In 2016-17, the number of working days/ shifts lost to sickness absence by our staff was 13.4 days and shifts. This was an increase on 2015-16 figures of 12.5.

The top 3 causes and their respective percentage of overall absence were: musculo/skeletal (35%), mental health (21%) and hospital admissions/investigations (16%). While the main cause of absence in Operational Staff was musculo/skeletal, mental health issues were the main cause of absence in Staff in the Regional Control Centre and Support functions.

NIFRS remains committed to reducing days lost due to sickness by implementing both the Attendance Management Policy and through new initiatives in the Health and Wellbeing Strategy. NIFRS will be holding a workshop on managing attendance in May 2017 in order to inform the management strategy going forward.

Equal Opportunities for NIFRS Staff and Applicants to NIFRS

NIFRS is an equal opportunities employer, committed to making good faith efforts to comply with equality legislation and the principles of fairness.

The following NIFRS Equality and Inclusion Statement has been adopted to emphasise the organisation's 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.



2.3 ACCOUNTABILITY AND AUDIT REPORT

Funding

- 1 NIFRS is funded on an ongoing basis by the Department of Health (DoH).

Regularity of Expenditure

- 2 Each year NIFRS completes the DoH Financial Management Control Assurance assessment, which is audited by BSO. For 2016-17, NIFRS achieved a 'Substantive' assurance rating. This achievement illustrates the continued probity and regularity of NIFRS' 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.

Contingent Liabilities

- 4 Contingent liabilities are detailed within Note 31 of the Accounts.

Financial Environment

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

Financial Targets

- 6 In terms of financial targets, as illustrated in Note 34.3 to the Accounts, NIFRS has achieved the financial breakeven target for 2016-17. This was achieved through the establishment of a Savings Plan at the start of the 2016-17 year and careful monitoring thereafter to deliver within the allocated budget.

Investment Strategy and Plans

- 7 NIFRS' 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 3 years as risk assessed capital investment priorities are agreed.

Losses and Special Payments

- 8 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 excluded 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.

	2017 Number of cases	2017 £	2016 £
Cash Losses			
Overpayments of Salaries, Wages and Allowances	2	18,821	-
Other Causes	1	48,000	239
	3	66,821	238
Stores Losses			
Losses of Accountable Stores through any deliberate act	1	69,423	652
	1	69,423	652
Total	4	136,244	891

Special Payments

There were no 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.

Signed: _____(Accounting Officer)

Date: _____

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 2017 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 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Accountability and Audit Report to be audited have been properly prepared in accordance with Department of Health directions made under the Fire and Rescue Services (Northern Ireland) Order 2006; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 the 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 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*

29 June 2017

SECTION THREE

Financial Statements



STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2017

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

	NOTE	2017		2016	
		Operating £'000	Pension £'000	Operating £'000	Pension £'000
			Total £'000		Total £'000
Income					
Contributions receivable	5	-	15,425	-	16,803
Transfers in	6	-	541	-	54
Income from activities	4.1	420	-	546	-
Total operating income		420	15,966	546	16,857
Expenditure					
Staff costs	3	(62,471)	-	(62,355)	-
Purchase of goods and services	3	(1,473)	-	(1,602)	-
Depreciation, amortisation and impairment charges	3	(5,493)	-	(2,879)	-
Provision expense	3	(18,967)	-	(5,904)	-
Other expenditure	3	(9,704)	-	(9,428)	-
Pension cost	8	-	(20,430)	-	(19,797)
Transfers in	6/10	-	(541)	-	(54)
Interest on scheme liabilities	12/24	(273)	(23,430)	(368)	(24,780)
Total operating expenditure		(98,381)	(44,401)	(82,536)	(44,631)
Net operating expenditure		(97,961)	(28,435)	(81,990)	(27,774)
Corporation tax	36	(7)	-	(8)	-
Net expenditure for the year		(97,968)	(28,435)	(81,998)	(27,774)
Revenue Resource Limit (RRL)	34.1	97,980	-	82,098	-
Surplus/(deficit) against RRL	34.3	12	(28,435)	100	(27,774)
OTHER COMPREHENSIVE EXPENDITURE					
Items that will not be classified to net operating costs:					
Net gain on revaluation of property, plant and equipment	13.1/13.2	1,214	-	1,318	-
Items that may be reclassified to net operating costs:					
Actuarial (loss)/gain	24/25	(6,348)	(129,043)	4,397	73,380
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2017		(103,102)	(157,478)	(76,283)	45,606

The notes on pages 104 to 148 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

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

	NOTE	2017			2016		
		Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
Non Current Assets							
Property, plant and equipment	13.1/13.2	91,877	-	91,877	89,541	-	89,541
Intangible assets	14.1/14.2	370	-	370	536	-	536
Total Non Current Assets		92,247	-	92,247	90,077	-	90,077
Current Assets							
Inventories	18	945	-	945	975	-	975
Trade and other receivables	20	1,471	-	1,471	768	-	768
Other current assets	20	361	2,379	2,740	396	2,165	2,561
Cash and cash equivalents	19	-	9	9	-	197	197
Total Current Assets		2,777	2,388	5,165	2,139	2,362	4,501
Total Assets		95,024	2,388	97,412	92,216	2,362	94,578
Current Liabilities							
Trade and other payables	21	(7,960)	-	(7,960)	(5,819)	-	(5,819)
Cash and cash equivalents	19	(639)	-	(639)	(395)	-	(395)
Provisions (Insurance)	23	(1,222)	-	(1,222)	(1,438)	-	(1,438)
Provisions (Compensation Scheme)	23	(2,940)	-	(2,940)	(3,040)	-	(3,040)
Provisions (Revised Comm Factors)	23	-	(8)	(8)	-	(9)	(9)
Total Current Liabilities		(12,761)	(8)	(12,769)	(10,692)	(9)	(10,701)
Total Assets less Current Liabilities		82,263	2,380	84,643	81,524	2,353	83,877
Non Current Liabilities							
Provisions (Insurance)	23	(113)	-	(113)	-	-	-
Provisions (Compensation Scheme)	23	(81,430)	-	(81,430)	(65,767)	-	(65,767)
Pension liabilities - NILGOSC	24	(15,555)	-	(15,555)	(8,513)	-	(8,513)
Pension liabilities - Firefighters	25	-	(804,110)	(804,110)	-	(649,572)	(649,572)
Total Non Current Liabilities		(97,098)	(804,110)	(901,208)	(74,280)	(649,572)	(723,852)
Total Assets less Total Liabilities		(14,835)	(801,730)	(816,565)	7,244	(647,219)	(639,975)
Taxpayers' Equity and Other Reserves							
Revaluation reserve		9,024	-	9,024	7,810	-	7,810
SoCNE reserve		(23,859)	(801,730)	(825,589)	(566)	(647,219)	(647,785)
		(14,835)	(801,730)	(816,565)	7,244	(647,219)	(639,975)

The accounts on pages 100 to 148 were approved by the Board on 27 June 2017 and were signed on its behalf by:

Signed.....(Chairperson) Date:

Signed(Chief Fire & Rescue Officer) Date:

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2017

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.

		2017		2016	
	NOTE	Operating £'000	Pension £'000	Operating £'000	Pension £'000
Cashflows from operating activities					
Net expenditure after interest and tax		(97,968)	(28,435)	(81,998)	(27,774)
Adjustments for non cash items	3	5,417	-	2,775	-
(Increase)/decrease in trade & other receivables	20	(668)	(214)	537	16
Decrease in inventories	18	30	-	21	-
Decrease/(increase) in trade payables	21	2,141	-	(78)	(229)
Increase/(decrease) in pension provision - Firefighters' Pension Scheme	25	-	154,538	-	(47,261)
Increase/(decrease) in pension provision - NILGOSC	24	7,042	-	(3,662)	-
(Decrease)/increase in provision - insurance	23	(103)	-	156	-
Increase in provision - compensation	23	15,563	-	2,136	-
(Decrease)/increase in provision - commutation factors	23	-	(1)	-	(1,964)
Pension remeasurements	24/25	(6,348)	(129,043)	4,397	73,380
Net cash outflow from operating activities		(74,894)	(3,155)	(75,716)	(3,832)
Cashflows from investing activities					
Purchase of property, plant & equipment	13.1/13.2	(6,399)	-	(3,270)	-
Purchase of intangible assets	14.1/14.2	(54)	-	(173)	-
Proceeds on disposal of property, plant & equipment		80	-	280	-
Net cash outflow from investing activities		(6,373)	-	(3,163)	-
Cash flows from financing activities					
Grant in aid		81,023	2,967	79,232	4,027
Net financing		81,023	2,967	79,232	4,027
Net (decrease)/increase in cash & cash equivalents in the year	19	(244)	(188)	353	195
Cash & cash equivalents at the beginning of the year	19	(395)	197	(748)	2
Cash & cash equivalents at the end of the year	19	(639)	9	(395)	197

The notes on pages 104 to 148 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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

Analysed as follows:

	NOTE	SoCNE Reserve		Revaluation Reserve		Operating Account		Firefighters' Pension Account		Total £'000
		£'000	£'000	£'000	£'000	Total £'000	Total £'000	Total £'000	Total £'000	
Balance at 1 April 2015		(699,312)	6,755	(692,557)	4,295	(696,852)	(692,557)			
Changes in taxpayers' equity 2015-16										
Grant from DoH		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	24	4,397	-	4,397	4,397	-	4,397			
Actuarial Gain on FF Pension	25	73,380	-	73,380	-	73,380	73,380			
Non cash charges - auditors remuneration		(39)	-	(39)	(39)	-	(39)			
Balance as 31 March 2016		(647,785)	7,810	(639,975)	7,244	(647,219)	(639,975)			
Changes in taxpayers' equity 2016-17										
Grant from DoH		83,990	-	83,990	81,023	2,967	83,990			
Comprehensive expenditure for the year - Operating		(97,928)	1,214	(96,714)	(96,714)	-	(96,714)			
Comprehensive expenditure for the year - Pension		(28,435)	-	(28,435)	-	(28,435)	(28,435)			
Actuarial (Loss) on LGPS Pension	24	(6,348)	-	(6,348)	(6,348)	-	(6,348)			
Actuarial (Loss) on FF Pension	25	(129,043)	-	(129,043)	-	(129,043)	(129,043)			
Non cash charges - auditors remuneration		(40)	-	(40)	(40)	-	(40)			
Balance at 31 March 2017		(825,589)	9,024	(816,565)	(14,835)	(801,730)	(816,565)			

The notes on pages 104 to 148 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

1.0 Authority

The accounts have been prepared in a form determined by the Department of Health (DoH) based on guidance from the Department of Finance (DoF'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.

The outlook for 2017-18 is increasingly constrained, particularly in respect of resource funding. In a statement to the House of Commons on 24 April 2017 the Secretary of State for Northern Ireland outlined an indicative budget position for NI departments. This position was based on advice of the Head of the NI Civil Service (NICS) in conjunction with the NICS Board. The purpose of this statement was to provide clarity to departments as to the basis for departmental allocations in the absence of an Executive, so that Permanent Secretaries can plan and prepare to take more detailed decisions in that light. The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2017-18. However, the Secretary of State was clear that the indicative budget position did not constrain the ability of an incoming Executive to adjust its priorities during the year. He also advised that some £42 million Resource DEL and £7 million Capital DEL was left unallocated in order to maintain flexibility for a new Executive to allocate resources to meet further priorities as they deem appropriate. Therefore, while there is potential for an incoming Executive to adjust these plans and also to allocate the unallocated resources, individual departments cannot anticipate any additional funding at this stage until such decisions are made.

Across the HSC sector it is expected that the significant financial challenges faced will intensify and extensive budget planning work to support the 2017-18 financial plan is ongoing between NIFRS and the Department of Health (DoH). However, as with other financial years NIFRS remains committed to achieving financial break-even.

As illustrated in our Statement of Financial Position, NIFRS operates with a net liability position, largely generated by the manner in which we are funded and pension liabilities. As a non-departmental public body, NIFRS is mainly funded through DoH. As it is anticipated that DoH funding will continue for the foreseeable future this ensures that the preparation of our accounts as a going concern is the correct basis.

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 annual 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 (per 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

DoF 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 “non-current assets held for sale“ are also not depreciated.

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

The following asset lives have been used:

Asset Type	Asset Life Years
Freehold Buildings	25 - 60
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 proceeds from the sale of assets is recognised 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 DoH, 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 DoH 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 DoF's discount rate of -2.70% (negative real rate) for 0 up to and including 5 years, -1.95% (negative real rate) after 5 years and up to 10 years and -0.80% in real terms for more than 10 years.

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

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

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

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

1.18 Contingencies

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

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

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

1.19 Employee Benefits

Short-Term Employee Benefits

Under the requirements of IAS 19 (Employee Benefits), staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. For NIFRS administrative staff the carryover of annual leave has been accrued based on actual calculations. For the Wholetime and Regional Control Centre staff the option to carry forward leave is under exceptional circumstances only and requires the approval of the Chief Fire Officer. As such there is no material annual leave accrual at 31 March 2017 or 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 2017 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 DoH 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 2016/2017	ERS RATE 2017/2018
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		EES RATE
Salary Band 2016/2017	2016/2017	Salary Band 2017/2018	2017/2018
Up to £15,301	11.0%	Up to £15,454	11.0%
£15,302 to £21,422	12.2%	£15,455 to £21,636	12.2%
£21,423 to £30,603	14.2%	£21,637 to £30,909	14.2%
£30,604 to £40,804	14.7%	£30,910 to £41,212	14.7%
£40,805 to £51,005	15.2%	£41,213 to £51,515	15.2%
£51,006 to £61,206	15.5%	£51,516 to £61,818	15.5%
£61,207 to £102,010	16.0%	£61,819 to £103,030	16.0%
£102,011 to £122,412	16.5%	£103,031 to £123,636	16.5%
More than £122,412	17.0%	More than £123,636	17.0%

The New Firefighters' Pension Scheme (NI) 2006	EES RATE		EES RATE
Salary Band 2016/2017	2016/2017	Salary Band 2017/2018	2017/2018
Up to £15,301	8.5%	Up to £15,454	8.5%
£15,302 to £21,422	9.4%	£15,455 to £21,636	9.4%
£21,423 to £30,603	10.4%	£21,637 to £30,909	10.4%
£30,604 to £40,804	10.9%	£30,910 to £41,212	10.9%
£40,805 to £51,005	11.2%	£41,213 to £51,515	11.2%
£51,006 to £61,206	11.3%	£51,516 to £61,818	11.3%
£61,207 to £102,010	11.7%	£61,819 to £103,030	11.7%
£102,011 to £122,412	12.1%	£103,031 to £123,636	12.1%
More than £122,412	12.5%	More than £123,636	12.5%

The New Firefighters' Pension Scheme (Amendment) 2015	EES RATE		EES RATE
Salary Band 2016/2017	2016/2017	Salary Band 2017/2018	2017/2018
Up to £15,301	11.0%	Up to £15,454	11.0%
£15,302 to £21,422	12.2%	£15,455 to £21,636	12.2%
£21,423 to £30,603	14.2%	£21,637 to £30,909	14.2%
£30,604 to £40,804	14.7%	£30,910 to £41,212	14.7%
£40,805 to £51,005	15.2%	£41,213 to £51,515	15.2%
£51,006 to £61,206	15.5%	£51,516 to £61,818	15.5%
£61,207 to £102,010	16.0%	£61,819 to £103,030	16.0%
£102,011 to £122,412	16.5%	£103,031 to £123,636	16.5%
More than £122,412	17.0%	More than £123,636	17.0%

The Firefighters' Pension Scheme (NI) 2015 (CARE)	EES RATE		EES RATE
Salary Band 2016/2017	2016/2017	Salary Band 2017/2018	2017/2018
Up to £27,270	10.0%	Up to £27,543	10.5%
£27,271 to £50,500	12.5%	£27,544 to £51,005	12.7%
£50,501 to £142,500	13.5%	£51,006 to £142,501	13.5%
More than £142,500	14.5%	More than £142,501	14.5%

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

SCHEME	EES RATE	EES RATE
	inc ill health	inc ill health
	2016/2017	2017/2018
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. The IAS 19 valuation for accounts purposes at 31 March 2017 is based on membership data at 31 March 2015, rolled forward with reference to cashflow and financial assumptions at 31 March 2017 as prescribed by HM Treasury.

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

Remeasurements[4] are recognised in Other Comprehensive Expenditure.

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

Compensation Scheme

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

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

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

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

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

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

NI Local Government Officers' Superannuation Committee Scheme (NILGOSC)

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

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

Employee contribution rates were fixed from April 2009 depending on the individual's pensionable remuneration. These contribution bands increased from 1 April 2017 and the revised bands and prior year bands are set out in the table below:

FYE Pay 2016/17	Contribution Rate 2016/2017	FYE Pay 2017/18	Contribution Rate 2017/2018
Up to £14,000	5.50%	Up to £14,100	5.50%
£14,001 to £21,300	5.80%	£14,101 to £21,500	5.80%
£21,301 to £35,600	6.50%	£21,501 to £35,900	6.50%
£35,601 to £43,000	6.80%	£35,901 to £43,400	6.80%
£43,001 to £85,000	8.50%	£43,401 to £85,800	8.50%
More than £85,000	10.50%	More than £85,800	10.50%

Employer contribution rates are determined by the Scheme's actuary every 3 years and are shown in the table below.

SCHEME	EES RATE 2016/2017	EES RATE 2017/2018	EES RATE 2018/2019	EES RATE 2019/2020
NILGOSC	20.0%	18.0%	19.0%	20.0%

From 1st April 2017 NIFRS are also now required to pay an annual deficit funding contribution in addition to the pensionable pay contribution rates set out above. The annual contribution for 2017-18 will be £120,100.

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 2016.

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

Revaluation Reserve

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

1.21 Value Added Tax

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

1.22 Third Party Assets

NIFRS does not hold assets belonging to third parties.

1.23 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NIFRS not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). 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. Further details can be found in Section 2.3 of the Accountability and Audit Report.

1.24 Government Grants

NIFRS is funded by grants from the DoH and a cash based grant system is in operation. Under this system, amounts can be drawn down to finance payments 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, is treated as a government grant even where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.

1.25 Taxation

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

1.26 Foreign Currency Transactions/Translation

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

1.27 Accounting Estimates

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

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

1.28 Accounting standards that have been issued but have not yet been adopted

A new standard on leases was issued in January 2016. IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019. The standard provides for a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on 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 and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, 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.

1.29 Impact of implementation of ESA 2010 on research and development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. This is not applicable to NIFRS.

1.30 Events After the Reporting Date

There were no events after the reporting year end 31 March 2017. The annual accounts were authorised for issue on 27 June 2017 by NIFRS 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

	2017	2016
	£'000	£'000
*Staff costs:		
Wages and salaries	47,150	47,972
Social security costs	4,177	3,172
Other pension costs	11,144	11,211
Communications equipment	1,158	1,129
Office equipment & running costs	602	637
Medical expenses, subsistence & other	366	362
Transport	1,009	1,069
Operational equipment & maintenance costs	668	706
Premises	3,876	3,896
Uniforms	296	244
Contract catering, kitchen equipment & maintenance	19	229
Rentals under operating leases	475	430
Training	953	977
Fire safety publicity	85	143
Auditor remuneration	40	39
Non audit services	108	113
Miscellaneous expenditure	1,178	793
Proceeds from Sale of Assets	(80)	(280)
Non cash items		
Gain on disposal of property, plant & equipment (including land)	4	176
Depreciation	6,358	6,275
Amortisation	220	259
Impairments	(1,085)	(3,655)
Pension costs - NILGOSC	420	367
Provisions provided for in year	16,514	3,564
Cost of borrowing	2,453	2,340
Total	98,108	82,168

*Further detailed analysis of staff costs is included in the Staff Report on page 90 within the Accountability Report.

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

NOTE 4 - INCOME

4.1 Income from Activities

	2017	2016
	£'000	£'000
Provision of fire cover - other bodies	81	118
Fire reports/certificates	14	16
Training courses	11	24
Trade Union Deduction Service	20	21
Loss Prevention Council	192	176
Insurance claims	16	55
Other income	86	136
Total	420	546

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

	2017	2016
	£'000	£'000
Employer	8,757	9,074
Employer contributions - ill health retirements	1,022	744
Employee	5,646	6,985
	<u>15,425</u>	<u>16,803</u>

NOTE 6 - TRANSFERS IN

	2017	2016
	£'000	£'000
Individual transfers in from other schemes	541	54
	<u>541</u>	<u>54</u>

NOTE 7 - OTHER PENSION INCOME

This note is not applicable to NIFRS.

NOTE 8 - PENSION COST

	2017	2016
	£'000	£'000
Current service cost	20,430	19,580
Past service cost	-	217
	<u>20,430</u>	<u>19,797</u>

NOTE 9 - ENHANCEMENTS

This note is not applicable to NIFRS.

NOTE 10 - TRANSFERS IN - ADDITIONAL LIABILITY

	2017	2016
	£'000	£'000
Individual transfers in from other schemes	541	54
	<u>541</u>	<u>54</u>

NOTE 11 - INJURY BENEFITS

This note is not applicable to NIFRS.

NOTE 12 - INTEREST ON SCHEME LIABILITIES

	2017	2016
	£'000	£'000
Interest charge for the year	23,430	24,780
	<u>23,430</u>	<u>24,780</u>

NOTE 13 - PROPERTY, PLANT & EQUIPMENT

13.1 Property, Plant & Equipment - year ended 31 March 2017

	Land £'000	Buildings (excluding dwellings) £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation								
At 1 April 2016	11,443	57,968	805	11,814	39,271	1,550	224	123,075
Indexation	193	644	-	256	729	104	-	1,926
Additions	-	(6)	4,011	784	1,019	591	-	6,399
Transfers	-	-	(699)	-	542	157	-	-
Reversal of impairments (indexation)	379	798	-	-	-	13	-	1,190
Disposals	-	(26)	-	(54)	(1,797)	-	-	(1,877)
At 31 March 2017	12,015	59,378	4,117	12,800	39,764	2,415	224	130,713
Depreciation								
At 1 April 2016	-	5,516	-	7,010	19,553	1,243	212	33,534
Indexation	-	74	-	165	395	78	-	712
Reversal of impairments (indexation)	-	98	-	-	-	7	-	105
Disposals	-	(26)	-	(54)	(1,793)	-	-	(1,873)
Provided during the year	-	1,918	-	995	3,256	182	7	6,358
At 31 March 2017	-	7,580	-	8,116	21,411	1,510	219	38,836
Carrying Amount								
At 31 March 2017	12,015	51,798	4,117	4,684	18,353	905	5	91,877
At 31 March 2016	11,443	52,452	805	4,804	19,718	307	12	89,541
Asset financing								
Owned	12,015	51,798	4,117	4,684	18,353	905	5	91,877
Carrying Amount								
At 31 March 2017	12,015	51,798	4,117	4,684	18,353	905	5	91,877

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 (2016 : £NIL).

NOTE 13 - PROPERTY, PLANT & EQUIPMENT

13.2 Property, Plant & Equipment - year ended 31 March 2016

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

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 14 - INTANGIBLE ASSETS**14.1 Intangible Assets - Year ended 31 March 2017**

Cost or Valuation	Software Licenses £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
At 1 April 2016	532	1,859	59	2,450
Additions	16	38	-	54
At 31 March 2017	548	1,897	59	2,504
Amortisation				
At 1 April 2016	277	1,637	-	1,914
Provided during the year	70	150	-	220
At 31 March 2017	347	1,787	-	2,134
Carrying Amount				
At 31 March 2017	201	110	59	370
At 31 March 2016	255	222	59	536
Asset Financing				
Owned	201	110	59	370
Carrying Amount				
At 31 March 2017	201	110	59	370

NOTE 14 - INTANGIBLE ASSETS

14.2 Intangible Assets - Year ended 31 March 2016

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

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 15 - FINANCIAL INSTRUMENTS

As the cash requirements of NIFRS are met through Grant-in-Aid provided by the DoH, 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 2017 or 31 March 2016.

NOTE 16 - IMPAIRMENTS

Operating Account

	2017		
	Property Plant & Equipment £'000	Intangibles £'000	Total £'000
Total value of impairments for the year	(1,085)	-	(1,085)
Impairments credited to Statement of Comprehensive Net Expenditure	(1,085)	-	(1,085)
	2016		
	Property Plant & Equipment £'000	Intangibles £'000	Total £'000
Total value of impairments for the year	(3,655)	-	(3,655)
Impairments credited to Statement of Comprehensive Net Expenditure	(3,655)	-	(3,655)

NOTE 17 - ASSETS CLASSIFIED AS HELD FOR SALE

	Land		Buildings		Vehicles		Total	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Cost								
At 1 April	-	170	-	246	-	341	-	757
Disposals	-	(170)	-	(246)	-	(341)	-	(757)
At 31 March	-	-	-	-	-	-	-	-
Depreciation								
At 1 April	-	-	-	246	-	341	-	587
Disposals	-	-	-	(246)	-	(341)	-	(587)
At 31 March	-	-	-	-	-	-	-	-
Carrying amount								
At 31 March 2017	-	-	-	-	-	-	-	-
At 31 March 2016	-	-	-	-	-	-	-	-

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

At the 2016/17 year end NIFRS had no 'held for sale' assets (2015/16: nil).

NOTE 18 - INVENTORIES

	2017 £'000	2016 £'000
Uniforms	395	461
Firefighting Equipment	219	184
Stationery	30	38
Transport	205	209
Fuel	89	76
Other	7	7
Total	945	975

NOTE 19 - CASH AND CASH EQUIVALENTS

	2017		2016	
	Operating £'000	Pension £'000	Operating £'000	Pension £'000
Balance at 1 April	(395)	197	(748)	2
Net change in cash and cash equivalents	(244)	(188)	353	195
Balance at 31 March	(639)	9	(395)	197
Total £'000				
		(198)		(746)
		(432)		548
		(630)		(198)

The following balances at 31 March were held at :				
Commercial banks and cash in hand	(639)	9	(395)	197
Balance at 31 March	(639)	9	(395)	197
Total £'000				
		(630)		(198)

NOTE 20 - TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2017			2016		
	Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
Amounts falling due within 1 year						
Trade receivables	216	-	216	39	-	39
VAT receivable	1,254	-	1,254	726	-	726
Other receivables - not relating to fixed assets	1	-	1	3	-	3
Trade and Other Receivables	1,471	-	1,471	768	-	768
Prepayments and accrued income	361	2,379	2,740	396	2,165	2,561
Other Current Assets	361	2,379	2,740	396	2,165	2,561
Amounts falling due after more than 1 year	-	-	-	-	-	-
Total Trade and Other Receivables	1,471	-	1,471	768	-	768
Total Other Current Assets	361	2,379	2,740	396	2,165	2,561
Total Receivables and Other Current Assets	1,832	2,379	4,211	1,164	2,165	3,329

The balances are net of a provision for bad debts of £Nil (2015/16: £Nil).

NOTE 21 - TRADE PAYABLES AND OTHER LIABILITIES

21.1 Trade Payables and Other Liabilities

	2017			2016		
	Operating £'000	Pension £'000	Total £'000	Operating £'000	Pension £'000	Total £'000
Amounts falling due within 1 year						
Other taxation and social security	374	-	374	320	-	320
Trade capital payables - property, plant and equipment	1,859	-	1,859	636	-	636
Trade revenue payables	3,200	-	3,200	2,298	-	2,298
Payroll payables	2,527	-	2,527	2,559	-	2,559
Accruals and deferred income	-	-	-	6	-	6
Trade and Other Payables	7,960	-	7,960	5,819	-	5,819
Total Payables falling due within 1 year	7,960	-	7,960	5,819	-	5,819
Amounts falling due after more than 1 year	-	-	-	-	-	-
Total Non Current Other Payables	-	-	-	-	-	-
Total Trade Payables and Other Current Liabilities	7,960	-	7,960	5,819	-	5,819

21.2 Loans

NIFRS did not have any loans payable at 31 March 2017 or 31 March 2016.

NOTE 22 - PROMPT PAYMENT POLICY

22.1 Public Sector Payment Policy - Measure of Compliance

DoH 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:

	2017	2017	2016	2016
	Number	Value	Number	Value
		£'000		£'000
Total bills paid	10,048	20,092	10,340	18,576
Total bills paid within 30 day target or under agreed payment terms	9,587	18,955	9,577	17,301
% of bills paid within 30 day target or under agreed payment terms	95.4%	94.3%	92.6%	93.1%
Total bills paid within 30 days of receipt of an undisputed invoice	9,726	19,325	9,693	17,666
% of bills paid within 30 days of receipt of an undisputed invoice	96.8%	96.2%	93.7%	95.1%
Total bills paid within 10 day target	8,446	17,129	8,412	15,039
% of bills paid within 10 day target	84.1%	85.3%	81.4%	81.0%

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 £100.26 (2015/16: £NIL).

NOTE 23 - PROVISIONS FOR LIABILITIES AND CHARGES - 2017

	Insurance	Firefighters' Compensation Scheme	Pension Commutation factors	2017 Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2016	1,438	68,807	9	70,254
Provided in year	591	-	-	591
Provided in year - current service cost	-	410	-	410
Provided in year - past service cost	-	130	-	130
(Provisions not required written back)/changes in underlying assumptions	(118)	15,501	-	15,383
Provision utilised in the year	(599)	(2,908)	(1)	(3,508)
Cost of borrowing	23	2,430	-	2,453
At 31 March 2017	1,335	84,370	8	85,713

Analysis of expected timing of cashflows

	Insurance	Firefighters' Compensation Scheme	Pension Commutation factors	2017 Total
	£'000	£'000	£'000	£'000
Not later than 1 year	1,222	2,940	8	4,170
Later than 1 year and not later than 5 years	113	11,550	-	11,663
Later than 5 years	-	69,880	-	69,880
At 31 March 2017	1,335	84,370	8	85,713

Insurance Provision

NIFRS operates a policy of limited self insurance and has detailed above a provision of £1,335k (2016: £1,438k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2017. 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 DoF's discount rate of (2.70%) 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 2017 leading to the provision of £84,370k (2016: £68,807k) 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, with one case outstanding. No provision has been made for unauthorised payment or scheme sanction charges which, if applicable, will be met by HM Treasury.

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

	2017	2016	2015
	%	%	%
Discount rate	2.80	3.60	3.55
Price inflation (CPI)	2.55	2.20	2.20
Rate of increase in pensionable salaries	4.55	4.20	4.20
Rate of increase in pensions	2.55	2.20	2.20

NOTE 23 - PROVISIONS FOR LIABILITIES AND CHARGES - 2016

	Insurance	Firefighters' Compensation Scheme	Compensation Commutation factors	Pension Commutation factors	2016 Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2015	1,282	66,671	-	1,973	69,926
Provided in year	726	-	265	-	991
Provided in year - current service cost	-	1,320	-	-	1,320
Provided in year - past service cost	-	290	-	217	507
(Provisions not required written back)/changes in underlying assumptions	(257)	1,220	-	-	963
Provision utilised in the year	(313)	(3,034)	(265)	(2,182)	(5,793)
Cost of borrowing	-	2,340	-	-	2,340
At 31 March 2016	1,438	68,807	-	9	70,254

Analysis of expected timing of cashflows

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

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:

	2017	2016	2015
	%	%	%
Discount rate	2.6	3.5	3.2
Price inflation (CPI)	2.0	1.8	1.8
Rate of increase in pensionable salaries	3.5	3.3	3.3
Pension accounts revaluation rate	2.0	1.8	1.8
Pension increases	2.0	1.8	1.8

The future life expectancies at age 65 are summarised below:

	2017		2016	
	Males	Females	Males	Females
65 year old current pensioner	23.2 years	25.8 years	22.3 years	24.8 years
45 year old future pensioner at age 65	25.4 years	28.1 years	24.5 years	27.2 years

	Expected rate of return 31 March 2017	Assets at 31 March 2017	Expected rate of return 31 March 2016	Assets at 31 March 2016
	% per annum	£'000	% p.a.	£'000
Equities	74.3%	50,227	71.9%	41,487
Bonds	11.5%	7,774	12.1%	6,982
Property	10.5%	7,098	13.2%	7,617
Cash/Other	2.6%	1,758	2.3%	1,327
Unquoted	1.1%	744	0.5%	289
Fair value of scheme assets		67,601		57,702
Present value of funded obligations		(83,156)		(66,215)
Net liability		(15,555)		(8,513)

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 expenditure

	2017	2016
	£'000	£'000
Current Service Cost	1,666	1,760
Past service cost	71	-
Employers contributions	(1,395)	(1,354)
Movement	78	(39)
	<u>(1,317)</u>	<u>(1,393)</u>
Total operating charge	<u>420</u>	<u>367</u>

Amount charged to interest

	2017	2016
	£'000	£'000
Interest income on assets	(2,029)	(1,786)
Interest expense on defined benefit obligation	2,302	2,154
Net interest charge	<u>273</u>	<u>368</u>

Amount charged/(credited) to the Statement of Changes in Taxpayers' Equity

	2017	2016
	£'000	£'000
Return on plan assets (in excess of)/below that recognised in net interest	<u>(7,373)</u>	<u>200</u>
Actuarial (gains) due to liability experience	(1,902)	(417)
Actuarial loss/(gain) due to changes in financial assumptions	16,498	(4,219)
Actuarial (gain) due to changes in demographic assumptions	(797)	-
Movement	(78)	39
	<u>13,721</u>	<u>(4,597)</u>
	<u>6,348</u>	<u>(4,397)</u>

	2017	2016
	£'000	£'000
Change in pension assets		
Opening fair value of assets	57,702	55,486
Interest income on assets	2,029	1,786
Contributions by participants	427	439
Contributions by employer	1,395	1,354
	<u>1,395</u>	<u>1,354</u>
Remeasurement gains/(losses) on assets	7,373	(200)
Net benefits paid out	(1,325)	(1,163)
	<u>(1,325)</u>	<u>(1,163)</u>
Closing fair value of assets	<u>67,601</u>	<u>57,702</u>
	2017	2016
	£'000	£'000
Change in benefit obligations		
Opening defined benefit obligation	66,215	67,661
Current service cost	1,666	1,760
Past service cost	71	-
Interest expense on defined benefit obligation	2,302	2,154
Contributions by participants	427	439
<i>Remeasurements:</i>		
Actuarial (gains) due to liability experience	(1,902)	(417)
Actuarial loss/(gain) due to changes in financial assumptions	16,498	(4,219)
Actuarial (gain) due to changes in demographic assumptions	(797)	-
	<u>13,799</u>	<u>(4,636)</u>
Net benefits paid out	(1,325)	(1,163)
	<u>(1,325)</u>	<u>(1,163)</u>
Closing defined benefit obligation	<u>83,156</u>	<u>66,215</u>

NOTE 24 - PENSION AND SIMILAR OBLIGATIONS

Amounts for the current and previous accounting periods

	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Fair value of assets	67,601	57,702	55,486	48,559	45,042
Present value of defined benefit obligation	(83,156)	(66,215)	(67,661)	(57,908)	(56,467)
Net deficit	(15,555)	(8,513)	(12,175)	(9,349)	(11,425)
Experience (losses)/gains on assets	7,373	(200)	4,296	991	4,450
Experience (losses)/gains on liabilities	1,902	417	244	(1,399)	45
	9,275	217	4,540	(408)	4,495
Remeasurement (losses)/gains on assets	7,373	(200)	4,296	991	4,450
Remeasurement (losses)/gains on obligation	(13,799)	4,597	(6,454)	1,949	(6,196)
Remeasurement (losses)/gains recognised in other comprehensive expenditure	(6,426)	4,397	(2,158)	2,940	(1,746)

The projected pension expense for the year to 31 March 2018, to be charged to the Statement of Comprehensive Net Expenditure in 2018, is shown in the table below.

31 March 2018

	£'000
Current service cost	2,297
Interest on net pension deficit	387
Projected pension expense	2,684

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 2017 of changes in key assumptions:

	Approximate % increase/ (decrease) in liability	Approximate monetary increase/ (decrease) in liability £'000
0.1% decrease in Discount Rate	2.0	1,671
1 year increase in Member Life Expectancy	2.9	2,432
0.1% decrease in the Salary Increase Rate	(0.6)	(490)
0.1% decrease in the Pension Increase Rate	(1.4)	(1,153)

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 - FIREFIGHTERS' PENSION LIABILITY

As at 31 March 2017, 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) and

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:

	2017	2016	2015
	%	%	%
Discount rate	2.80	3.60	3.55
Price inflation (CPI)	2.55	2.20	2.20
Rate of increase in pensionable salaries	4.55	4.20	4.20
Rate of increase in pensions	2.55	2.20	2.20
Rate of care revaluation	4.55	4.20	4.20

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:

	2017		2016	
	Males	Females	Males	Females
65 year old current pensioner	22.4 years	22.4 years	22.3 years	22.3 years
45 year old future pensioner at age 65	24.9 years	24.9 years	24.8 years	24.8 years

Changes in pension scheme liability

	Firefighters' Pension Scheme	New Firefighters' Pension Scheme	Firefighters' Pension Scheme (CARE)*	2017	2016
	£'000	£'000	£'000	Total £'000	Total £'000
Net Deficit at beginning of year	592,293	48,379	8,900	649,572	696,833
Current service cost	8,980	1,840	9,610	20,430	19,580
Net interest on defined benefit liability	21,170	1,770	490	23,430	24,780
	30,150	3,610	10,100	43,860	44,360
Pension transfers in	-	531	10	541	54
	-	531	10	541	54
Benefits payable	(17,827)	(1,059)	(20)	(18,906)	(17,826)
Pension payments to and on account of leavers	-	-	-	-	(469)
	(17,827)	(1,059)	(20)	(18,906)	(18,295)
Remeasurements	91,124	33,389	4,530	129,043	(73,380)
Net Deficit at end of year	695,740	84,850	23,520	804,110	649,572

* CARE - Career Average Revalued Earnings

Analysis of amounts recognised in other comprehensive expenditure

	2017	2016
	£'000	£'000
Experience gains	17,177	9,440
Changes in assumptions underlying Retained Settlement	-	19,980
Changes in financial assumptions	(161,050)	35,280
Changes in other demographic assumptions	14,830	8,680
	<u>(129,043)</u>	<u>73,380</u>

Analysis of experience gains/(losses)

	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Remeasurements in respect of scheme liability	<u>(129,043)</u>	<u>73,380</u>	<u>(21,900)</u>	<u>(62,660)</u>	<u>(50,170)</u>
Experience adjustments	<u>17,177</u>	<u>9,440</u>	<u>18,370</u>	<u>2,860</u>	<u>(2,190)</u>
As % total remeasurements	<u>-13%</u>	<u>13%</u>	<u>-84%</u>	<u>-5%</u>	<u>4%</u>

Sensitivity analysis

The calculation of the pension liability is sensitive to the assumptions set out below. The following table summarises the impact on the pension liability at 31 March 2017 of changes in these key assumptions.

The Firefighters' Pension Scheme (NI) 2006

	Approximate % increase/ (decrease) in Liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% increase in Discount Rate	(9.0)	(62.7)
1 year increase in Member Life Expectancy	2.5	17.6
0.5% increase in the Salary Increase Rate	0.8	5.3
0.5% increase in the Pension Increase Rate	8.7	60.6
Early Retirement each member assumed to retire 1 year later than expected	0.2	1.2

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

The New Firefighters' Pension Scheme (NI) 2006

	Approximate % increase/ (decrease) in Liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% increase in Discount Rate	(14.5)	(12.3)
1 year increase in Member Life Expectancy	2.3	2.0
0.5% increase in the Salary Increase Rate	5.2	4.4
0.5% increase in the Pension Increase Rate	9.8	8.3
Early Retirement each member assumed to retire 1 year later than expected	(0.6)	(0.5)

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

The Firefighters' Pension Scheme 2015

	Approximate % increase/ (decrease) in Liability	Approximate monetary increase/ (decrease)
	%	£Million
0.5% increase in Discount Rate	(15.3)	(3.6)
1 year increase in Member Life Expectancy	2.1	0.5
0.5% increase in the Salary Increase Rate	7.0	1.6
0.5% increase in the Pension Increase Rate	10.5	2.5
Early Retirement each member assumed to retire 1 year later than expected	(0.5)	(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.

The projected pension expense for the year to 31 March 2018 has been calculated at £23.7 million. It has been calculated using Current Service Costs for 2017/18 which have been assessed as detailed in the table below and applied to levels of pensionable pay similar to those in 2016/17.

	Current Service Cost
	%
% of pensionable pay in Firefighters' Pension Scheme 2007	73.9
% of pensionable pay in New Firefighters' Pension Scheme 2007	46.8
% of pensionable pay in Firefighters' Pension Scheme 2015	59.3

NOTE 26 - CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2017 not otherwise included in these annual accounts are as follows:

	2017	2016
	£'000	£'000
Property, plant and equipment	8,538	203
Intangible assets	-	4
	<u>8,538</u>	<u>207</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.

	2017	2016
	£'000	£'000
Land		
Not later than 1 year	382	382
Later than 1 year and not later than 5 years	1,527	1,527
Later than 5 years	<u>19,375</u>	<u>19,757</u>
	<u>21,284</u>	<u>21,666</u>
Buildings		
Not later than 1 year	37	88
Later than 1 year and not later than 5 years	5	43
Later than 5 years	<u>-</u>	<u>-</u>
	<u>42</u>	<u>131</u>
Other		
Not later than 1 year	-	16
Later than 1 year and not later than 5 years	-	-
Later than 5 years	<u>-</u>	<u>-</u>
	<u>-</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:

	2017	2016
	£'000	£'000
Sublease payments	<u>33</u>	<u>36</u>
	<u>33</u>	<u>36</u>
Lease payments recognised as an expense in the period	<u>987</u>	<u>888</u>
	<u>987</u>	<u>888</u>

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.

	2017	2016
	£'000	£'000
Obligations under operating leases issued by NIFRS comprise:		
Land & Buildings		
Not later than 1 year	15	15
Later than 1 year and not later than 5 years	39	45
Later than 5 years	11	20
	<u>65</u>	<u>80</u>
Other		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>

NOTE 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 has committed during 2016/17 analysed by the period during which the commitment expires are as follows:

	2017	2016
	£'000	£'000
Expires within 1 year	93	86
Expiry after 1 year but not more than 5 years	-	-
Expiry thereafter	-	-
	<u>93</u>	<u>86</u>

NOTE 30 - FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

NIFRS did not have any financial instruments at 31 March 2017 or 31 March 2016.

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.

	2017	2016
	£'000	£'000
Limited Self Insurance		
Public Liability	-	8
Employer Liability	154	193
Vehicle Liability	80	6
Employment Liability	(3)	4
	<u>231</u>	<u>211</u>

Self Insurance

NIFRS operates a policy of limited self insurance and has detailed at Note 23 a provision of £1,335k in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2017. While this is the anticipated sum to meet the liability there is potential for a further liability of £231k. 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 NI Firefighters' Pension Scheme 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 and legislation has been enacted in the UK with retrospective effect to 1 December 2006.

Similar legislation is due to be implemented in Northern Ireland in the next few months. NIFRS are currently assessing the practicalities of implementation and at this juncture do not have sufficient information to fully 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 with the majority of payments made in 2015/16. One case remains outstanding at 31 March 2017 and has been provided for. No provision has been made for unauthorised payment or scheme sanction charges which, if applicable, will be met by HM Treasury.

Discount rate

A new discount rate which courts must consider when awarding compensation for future financial losses in the form of a lump sum in personal injury cases came into effect in England and Wales on 20 March 2017. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and Department of Finance). The discount rate is under active consideration by the Department but will require Ministerial consideration once a Minister is in post and any change would require secondary legislation. As such, it has not been possible at this time to quantify the potential impact on NIFRS of any change in the discount rate.

NOTE 32 - RELATED PARTY TRANSACTIONS

NIFRS is an arms length body of the Department of Health 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 has declared family members were directors of Graham Facility Management. During the year ended 31 March 2017 NIFRS made direct payments of £240,064 (2015/16: £8,005) to this company. The Director of Planning, Performance & Governance 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, IT etc. to a value of £426,442 (2015/16:£361,109).

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:

	2017	2016
	£'000	£'000
DoH (excludes non cash)	72,824	72,684
Non cash RRL (from the DOH)	25,156	9,414
Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure	97,980	82,098

34.2 Capital Resource Limit

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

	2017	2016
	£'000	£'000
Gross Capital Expenditure	6,453	3,443
Receipts from sale of fixed assets up to NBV	(4)	(176)
Net capital expenditure	6,449	3,267
Capital Resource Limit	(6,517)	(3,267)
Underspend against CRL	(68)	-

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.

	2017	2016
	£'000	£'000
Net Expenditure	(97,968)	(81,998)
RRL	97,980	82,098
Surplus against RRL	<u>12</u>	<u>100</u>
Break Even cumulative position (opening)	233	133
Break Even Cumulative position (closing)	<u><u>245</u></u>	<u><u>233</u></u>

Materiality Test:

	2017	2016
	%	%
Break Even in year position as % of RRL	<u>0.01</u>	<u>0.12</u>
Break Even cumulative position as % of RRL	<u>0.25</u>	<u>0.28</u>

NOTE 35 - POST BALANCE SHEET EVENTS

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

NOTE 36 - CORPORATION TAX

	2017	2016
	£'000	£'000
Corporation Tax	7	8
Total	<u><u>7</u></u>	<u><u>8</u></u>

NOTE 37 - DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these Annual Accounts for issue on 27 June 2017.

**Report by the Comptroller and Auditor General for Northern Ireland
Northern Ireland Fire & Rescue Service- Annual Report and Accounts 2016-17**

Introduction

- 1 The Northern Ireland Fire and Rescue Service (NIFRS) is a Non-Departmental Public Body, sponsored by the Department of Health and has responsibility for providing rescue services across Northern Ireland. In 2016-17, NIFRS incurred expenditure of £143 million.
- 2 Last year, I attached a report to the NIFRS 2015-16 financial statements outlining my concerns on a lack of progress in implementing internal audit recommendations, some of which had been outstanding for several years. I also gave an undertaking to continue to monitor the situation. Whilst I acknowledge there has been some progress in addressing the outstanding issues identified by Internal Audit, the rate of progress in 2016-17 has been slower than I had expected and therefore I still consider it necessary to report my concerns.

Internal Audit

- 3 Business Services Organisation (BSO) were appointed to provide the Internal Audit function for NIFRS from 1 April 2014 and the Head of Internal Audit 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.'
- 4 This overall opinion has been given because of a substantial number of 'Limited' or "Unacceptable" opinions on specific audit areas examined by internal audit during 2016-17 and because of the considerable volume of outstanding recommendations that require further action. The results of internal audit reports in the last three years have been:

	2016-17	2015-16	2014-15
Unacceptable	2	0	0
Limited	5	5	7
Partially limited	1	3	2
Satisfactory	3	5	4
Substantial	1	0	0
% of unacceptable / limited reports	58%	38%	54%

- 5 Each internal audit report will make a number of recommendations for improvement which will have been agreed by management. The number of these recommendations which have not been fully implemented has reduced in recent years from a high of 237 in 2014-15 to 127 at the end of this year. However I remain concerned that this number remains high and with the number of recommendations not implemented that have been outstanding for several years:

	Partially implemented	Not implemented	Total
2008-09	2	-	2
2010-11	4	-	4
2011-12	5	-	5
2012-13	24	2	26
2013-14	14	-	14
2014-15	36	2	38
2015-16	21	-	21
2016-17	17	-	17
Total	123	4	127

- 6 Out of the 127 agreed internal audit recommendations that have not yet been fully implemented 57 of them were designated priority 1 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.'
- 7 Some of the Priority 1 issues identified by Internal Audit, which have still to be fully implemented, include:
- The payroll systems operated by NIFRS require significant manual input which increases the time spent on payroll and also increases the risk of human error;
 - Pension calculations are being processed manually for the past two years which increases the risk of mistakes;
 - The absence of an automated pension system means that Annual Benefit Statements have not been issued to Scheme members which is a breach of legislation;
 - A significant number of assets are not logged to ensure that they can be traced;
 - A significant number of payments tested did not have evidence of quotations from the contractor (in advance of the work being undertaken) on their system;
 - There is inadequate evidence that NIFRS have confirmed that Measured Term Contract work has been completed to a satisfactory standard;
 - Significant concerns over procurement and contract management;
 - Significant concerns over the aged IT infrastructure; and
 - Key governance documents being out of date.

Plans to address outstanding recommendations

- 8 It is clear that NIFRS has made significant efforts over the past year to address the large number of outstanding issues which have arisen from Internal Audit reports over several years. Central to these efforts has been the creation of the Business Improvement Programme which is now in place. These efforts have resulted in 389 recommendations (which represent 75 per cent of the total recommendations) being fully closed during 2016-17 with a further 123 (24 per cent of the total recommendations) being partially implemented as reported by Internal Audit in its Year-end follow up report. However there continues to be a large number of recommendations that are still to be fully implemented and I also note that serious issues still continue to be identified. In my view, it is essential that NIFRS continue its efforts to address these issues so that further inroads in significantly reducing the numbers of recommendations that have not been fully implemented can be made.
- 9 I asked the NIFRS why it has not yet been successful in making further reductions in the numbers of unimplemented recommendations and also to outline their plans for the coming year to do this.
- 10 NIFRS told me that it is addressing the outstanding recommendations through a modernisation programme, which is broken into 13 key Projects as outlined below. Through these Projects, both the outstanding audit recommendations and new systems of working are managed, reported and monitored on a regular basis. In addition, NIFRS has told me that they monitor the number of live recommendations through a database, 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 are not closed until Internal Audit agree that sufficient evidence exists to merit closure.

The key project areas identified are:-

- 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 continued on all 13 project areas during 2016-17 and progress has been monitored, via formal written updates and by the Audit, Risk & Governance Committee on a quarterly basis. In addition three Business Improvement Days were held during the year at which the Board received presentations and updates from the Project leads.

- 11 NIFRS also told me that the aim of these Projects was to address the outstanding issues as quickly as possible. A key focus of the Board and Senior Team has been to address as many recommendations as quickly and effectively as possible but some issues had taken longer to implement such as the acquisition of new software and IT systems or the implementation of structural changes as there are appropriate external processes and approvals which are required before a change is implemented. The historic underinvestment in IT infrastructure and software has meant that the modernisation programme is likely to straddle several financial years. However the overall aim is to deal with as many outstanding issues within the next financial year.

Conclusion

- 12 NIFRS should not continue to be left vulnerable to risks from failures in internal controls. I shall continue to monitor this situation and would expect to see another considerable improvement in addressing the number of outstanding Internal Audit recommendations in the coming year.

KJ Donnelly
Comptroller and Auditor General
29 June 2017

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NORTHERN IRELAND FIRE & RESCUE SERVICE

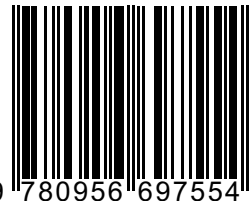
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