



ANNUAL REPORT AND  
ANNUAL ACCOUNTS  
2018-19

The main title of the report is centered on the page. It consists of three lines of text in a large, black, sans-serif font. The first line reads "ANNUAL REPORT AND", the second line reads "ANNUAL ACCOUNTS", and the third line reads "2018-19".



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The Northern Ireland Guardian Ad Litem Agency Accounts  
for the Year ended 31 March 2019

*Laid before the Northern Ireland Assembly  
under section 11(3) (c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of Health*

*On*

*19 July 2019*

The Northern Ireland Guardian Ad Litem Agency (NIGALA) was established as a Special Agency by virtue of powers contained in the Health and Personal Social Services (Special Agencies) (NI) Order 1990. The Northern Ireland Guardian Ad Litem (Establishment and Constitution) Order (NI) 1995 was introduced on 1<sup>st</sup> December 1995 making provision for the constitution of the Agency and appointment of the Agency Board.

### **Northern Ireland Guardian Ad Litem Agency - Board Members**

Mr Bernard Mitchell (Chair)

Mr Peter Reynolds (Chief Executive)

Mrs Gillian McGaughey (Non-Executive Director)

Mr Fred Smyth (Non-Executive Director)

Dr Karen Winters (Non-Executive Director)

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## Introduction by the Chair

I am pleased to present the Northern Ireland Guardian Ad Litem Agency's (NIGALA) Annual Report and Accounts for the period 1 April 2018 to 31st March 2019.

Entering my eighth year as Chair for NIGALA, reports from guardians, former care-leavers, legal practitioners and other professionals have demonstrated that even under very challenging and difficult circumstances, we have a work-force which is skilled, resilient and compassionate, who want the best possible outcomes for the children and young people we represent.

In my role, I have been fortunate to hear first-hand, the lived experiences and aspirations of former looked after children who simply want to be 'listened to' and have 'their needs, wishes and feelings' considered. My time as Chair has helped me develop an understanding and deep appreciation of how complex and crucial the work of NIGALA is. It remains the Agency's fervent commitment to realise better outcomes for those families with whom we are involved.

Much has been said in the past twelve months about the importance and central role social work plays in achieving a vision of '*person-centred*' and '*compassionate*' care delivered to communities with and for services users, families and of course children and young people. The Agency will continue to work hard with other key stakeholders to influence and shape the future of service delivery to this end.

Over the past twelve months there have been difficulties in consistently responding to high levels of demand while achieving timely outcomes, with public law cases taking on average almost one year to conclude and sometimes significantly longer. In that context, we have been fortunate in the continuing support we have received from the Department of Health that has allowed us to increase our front-line capacity. Making the necessary changes in the way we work both internally and with stakeholders, to maximise the resource available while presenting the case for the necessary budget to continue to develop our services into 2019-20 and beyond, is the only way that we can maintain and improve our service to maximum effect.

In this challenging environment, the Board was delighted that the Agency was recognised for its work by achieving Silver Accreditation in Investors in People (IIP). Congratulations from Sean Holland, Chief Social Work Officer, were gratefully received by staff and a welcome boost, as he recognised their commitment to ‘continuous improvement’.

In this context, I am pleased to report we have continued to build and consolidate closer collaborative working relationships with other stakeholders in both social care and justice. This year we have also established links with Scotland and the Republic of Ireland, to share learning and explore how we can we better influence the agenda for children, creating a national platform for the ‘voice’ of the child. We are currently planning a ‘Five Nations’ symposium to be held in the Autumn of 2019 and a Spring Conference, for 2020.

The Shadow Family Justice Board, established in December 2017, is taking forward an ambitious programme of work and, supported by NIGALA and the HSC Trusts, has helped roll out awareness raising on ‘*Signs of Safety*’ for the Judiciary as well as legal colleagues. In 2019-20, the Agency will continue to work hard to influence and inform others in making a significant and constructive contribution to outcomes for children.

This year the composition of the NIGALA Board has changed and will change further into 2019-20, with some Non-Executive Directors stepping down. To them I extend my warmest thanks and appreciation for all their support and dedication this year and in past years. On behalf of the Board, I also wish to express a sincere appreciation and thanks for the dedication and hard work of guardians, corporate staff and the senior management team.

I am pleased to commend this Annual Report.



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**Bernard Mitchell**

**Chair**

**4<sup>th</sup> July 2019**

# Performance Report

The Performance Report provides information on the Northern Ireland Guardian Ad Litem Agency (NIGALA), its main objectives and strategies and the principal risks that it faces.

The Performance Report of the NIGALA is presented in two sections:

1. A Performance Overview, setting out the purpose of the NIGALA and the Chief Executive's perspective on its performance against its objectives and the risks to the achievement of those objectives; and
2. A Performance Analysis, providing a balanced and comprehensive analysis of the organisation's performance during the year.

## **Performance Overview**

### **Our Purpose**

The function of the Agency is to safeguard and promote the interests of children by providing an independent social work analysis and advice in court proceedings and to provide effective representation of children's views and interests.

As part of the Health and Social Care Framework for Northern Ireland the NIGALA seeks to support the Department of Health's (DoH) overall duty to promote an integrated system of health and social care designed to improve the health and social wellbeing of the people of Northern Ireland.

The NIGALA's performance framework is determined by the Department of Health in the light of its wider strategic aims and of current Public Service Agreement (PSA) objectives and targets. The priorities and objectives for meeting the NIGALAs overall aim are set out in its annual Business Plan, the key objectives of which are subject to approval by its Sponsor Branch in the Department of Health. In common with all Arms-Length Bodies

(ALBs), on issues of governance and assurance, the NIGALA is directly accountable to the Department of Health.

## **Chief Executive's Statement**

Core to the delivery of our service to children and young people is providing a quality service by skilled professionals who can implement change and improve outcomes for service users. In the past twelve months the hallmark of the work completed by the Agency has been as much about the planning and delivery of change as change itself. At the heart of the Agency's work is a commitment to provide a high quality, safe and effective service to all children and young people who are subject of public law and adoption proceedings.

The Agency has worked collaboratively with all our key stakeholders, including children and young people, to make improvements on how we promote the 'voice' of children and the issues which matter to them. The work of the 'Children's Board' developed by the Agency keeps the service grounded because its core focus is to hear about the lived experience of children and young people and to feed these into the design, delivery and evaluation of the Agency's work. Developmental work on an 'app' to be launched this year, will further strengthen our work in this regard collating better quality and more timely feedback.

Receiving direct feedback from children and young people about our service and on what 'matters' to them at a time of uncertainty and change in their lives is a humbling yet rewarding experience and one which we value. If we don't get things right first time or a child or young person feels we could have given them a better service, then we want to hear about it.

In the past year, while overall the number of new court directed appointments have dropped slightly from that reported in 2016/17, the number of cases before the courts have increased from 2017/18, meaning that avoidable 'delay' remains a substantive issue for debate and change across social care and justice. Public law applications now take on average almost one year to complete and in many other cases much longer (25% of live cases taking over 400 days). A lack of a fully collaborative model of delivery across the system continues to impact on the progress of children's cases as they move from the

early stages of intervention by Trusts to the point where courts are asked to make the most significant of decisions about children's lives.

This is a system-wide issue and one that is recognised independently<sup>1</sup>. This should not however be seen as a reflection on the dedication and professionalism of individual social workers, legal practitioners and Judges who work in the interests of children and families under what can be challenging circumstances. In the context of the children, young people and families we work with, they are deemed to be '*the neediest*'<sup>2</sup> and therefore the most demanding by way of achieving lasting outcomes.

With ongoing regional variations, matching capacity continues to impact on the ability of the Agency to consistently allocate guardians in advance of a first hearing, we are nevertheless allocating a guardian in 85% of cases within 14 days<sup>3</sup>. In the past year, while working closely with our Sponsor Branch to ensure the necessary budget as a front-line service, the Agency has been working to bring about what it views are necessary changes to ensure the work of the guardian is focused and proportionate, while being mindful of our statutory responsibilities.

The Agency's primary objective and over-riding priority remains to represent children and young people in order to safeguard their interests in an ever increasing and complex world. We recognise we are not alone in this endeavour and in order to strive towards ongoing improvement, the Agency has actively engaged and collaborated with Health and Social Care Trusts, the Law Society, the Bar Library and the Judicial Studies Board as part of a network of organisational partnerships rolling out the regional implementation of the '*Signs of Safety*' Model of Practice for Social Work in Northern Ireland.

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<sup>1</sup> 'Review of Civil and Family Justice in NI' (2017) and NIAO 'Speeding up justice: avoidable delay in the criminal justice system (March 2018);

<sup>2</sup> 'Reforming Care Proceedings 2: Children's Outcomes' (2018) – Judith Masson, Jonathan Dickens et al.

<sup>3</sup> KPI established in September 2018.

I am delighted to report the Agency continues to place itself at the forefront of partnership discussions which creates the climate for improving outcomes for children and families. For the first time, it sees us extending this to new conversations across the UK and Republic of Ireland, with a view to organising a UK/ROI event in the Autumn of 2019 and a Conference in 2020. As part of a collaborative and whole system approach, the Agency has welcomed the opportunity to

work with health and social care partners from across the sector to embed 'Trauma Informed Practice' using a trauma informed lens, while also part of other initiatives, such as the FDAC Pilot and the implementation of '*Signs of Safety*' in Northern Ireland.

The Agency supports continuous improvement in a variety of ways; through participating in the 'Quality Improvement' regional programme in 2018-19, which focused on 'children's feedback'; contributing to regional training and awareness raising, most notably through the work of the '*Inter- Agency Childcare and Legal Issues Group*' established by the Agency in 2017 and comprising representatives from academia, the voluntary sector and legal professionals. This year the group has presented two seminars, looking at '*assessing competence*' of children in the context of long-standing neglect and '*post adoption*' contact, which heard powerful testimonies from service users.

I am very pleased to report that much of the work undertaken by NIGALA in the past twelve months evidences its commitment to the strategic direction set out in '*Delivering Together – Health and Wellbeing 2026*', particularly around the following strategic priorities;

- Relationship-based practice;
- Highly Skilled, Resilient and Confident Workforce;
- Continuous Learning and Improvement;
- Effective Leadership and Management;
- Collaboration and Partnership<sup>4</sup>.

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<sup>4</sup> A Learning and Improvement Strategy for Social Workers and Social Care Workers 2019-2027.

Continuous improvement and providing a quality service remains our over-riding objective for the next twelve months and we hope to build on our strengths in the interests of the children and young people we serve. Finally, my heartfelt thanks to everyone in the Agency, Board members, guardians, the administration and corporate team and management team for all their hard work and dedication to the service.

## **Complaints about the Northern Ireland Guardian Ad Litem Agency**

The NIGALA received three complaints about its services in the course of the year. Complaints are a valuable way to learn how to improve services. The NIGALA takes all feedback very seriously and is constantly reviewing the service it offers to improve the experience of children and young people and those it works with.

## **Staff**

The Agency has a small staff complement across its corporate and professional functions, which strives to make a difference for children and young people in a large and complex system. As the Accounting Officer for the NIGALA, I feel immensely proud and privileged to lead an organisation of staff who, through their commitment and professionalism, have responded so positively to the pressures of the past year.

## **Our Buildings**

NIGALA holds three office accommodation leases sited strategically in Belfast, Derry/Londonderry and Armagh. In 2016-17 NIGALA completed the rent review process for each office and renewal leases were agreed for each office. The renewal lease which has been agreed for the Armagh and Derry/Londonderry office extends until July 2020 and the lease for the office in Belfast extends to November 2019.

## **Risk Management**

The NIGALA Board receives strategic updates on issues which may impact on the organisation. The Board also maintains a Corporate Risk Register which is routinely considered at all meetings of the Audit and Risk Assurance Committee and formally reviewed by the Board on a six-monthly basis.

Within the year the Board monitored closely key sectoral risks and issues which it considered for possible impact on achievement of its Business Plan objectives.

Diminishing resources is a challenge facing all public-sector organisations and I would wish to acknowledge the support we have received from the Department of Health and Sponsor Branch. Internally the NIGALA has grown in its efficiency by finding new ways to do its work, particularly in moving to a paper-less environment.

A key corporate risk to the operation of the Agency is a legal challenge to the status of “Self Employed Guardians Ad Litem”. This challenge is through the Industrial Tribunal process which will take place in 2019-20.

### **Finance Summary**

The NIGALA receives its main funding from the DoH in the form of a Revenue Resource Limit. The monies fund the work of the NIGALA Business Plan. The Financial Statements for the year-end 31st March 2019 can be found on pages 66-129. The following table summarises the performance against targets.

<b>Net Expenditure</b>	£4,308,268
<b>Revenue Resource Limit</b>	£4,324,987
<b>Surplus against Revenue Resource Limit</b>	£16,719
<b>Breakeven position in year as % of Revenue Resource Limit</b>	0.39%

The Board of the NIGALA received regular updates on expenditure and year end forecasting to ensure the organisation met its statutory breakeven requirements in 2018-19.

### **Going Concern**

The NIGALA ended the year in a net liability position due to its holding minimum fixed assets and debtors and income from the Department of Health treated as financing through reserves.

As illustrated in our Statement of Financial Position, the NIGALA operates with a net liability position, largely generated by our trade and other payables liability compared to a small capital asset base. As a non-departmental public body, the NIGALA is funded through Department of Health. As Department of Health funding will continue for the foreseeable future this ensures that the preparation of our accounts as a going concern is the correct basis.

The accounts have been prepared on the going concern basis. Management are not aware of any conditions or events, currently or in the future, that would bring this assumption into question.

### **Investment Strategy and Plans**

The NIGALA receives its funding on an annual basis and has no requirement for an Investment Strategy or Investment Plans.

### **Accounts**

The Accounts have been prepared under a direction issued by the Department of Finance under Circular FD (DoF) 01/19.



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**Peter Reynolds**  
**Chief Executive**  
4<sup>th</sup> July 2019

# Performance Analysis

## Key Performance Indicators

The Agency has an annual business plan approved by the Department of Health and ratified by the Board. The Board approved several Key Performance Indicators (KPIs) in September 2018 to monitor performance against the Business Plan. These have been set out against Strategic Themes within the Corporate Plan. This sits alongside the risk register in which risks are also set out against strategic themes. This allows risks to be monitored against their potential impact on KPIs and strategic themes.

The Board reviews performance at each of its meetings against the KPIs. Performance against the Indicators as at the 31<sup>st</sup> March 2019 is outlined below under a colour coded rating:

**Green:** KPI achieved.

**Orange:** KPI substantially achieved.

**Red:** KPI substantially not achieved.

Strategic Themes	Current KPIs	Notes
<b>Children at the Centre of NIGALA decision making.</b>	<b>KPI 1: Allocation of Cases</b> For priority cases a Guardian will be allocated within 8 working days following a court request. This includes Secure Accommodation and Emergency Protection Cases.	Secure Accommodation: 97% (34 cases)  Emergency Protection: 75% (4 cases)
	<b>KPI 2: Allocation of Care Proceedings Cases*</b> 85% of all Care Type cases will be allocated a Guardian within 14 days of the court request.	85.3% for September to March 2019 (target introduced in September 2018)

Strategic Themes	Current KPIs	Notes
	<i>These figures exclude those cases in KPI 1 and Art 56s</i>	Overall for year 81.4% (708 cases)
<b>Delivery of a quality service to agreed standards.</b>	<b>KPI 3: Children and Young People's satisfaction</b> 80% of children and young people who provide feedback to NIGALA will rate the service overall as good or better.	Satisfaction rating for the year is: 89% of children rate the service as good or better. (140 responses out of 328 requests)
<b>Valuing staff and promoting learning.</b>	<b>KPI 4: Supervision</b> All Guardians will complete the annual cycle of two supervision sessions.	Complete
<b>Efficient use of Resources.</b>	<b>KPI 5: Financial Breakeven</b> NIGALA remains within a financial breakeven surplus target of £20,000  <b>KPI 6 : Attendance</b> NIGALA's attendance for the year will be 95.5%	Breakeven target met.  Attendance rate for 2018-19 is 95.94%

# **Safeguarding and Promoting the Interests of Children and Young People**

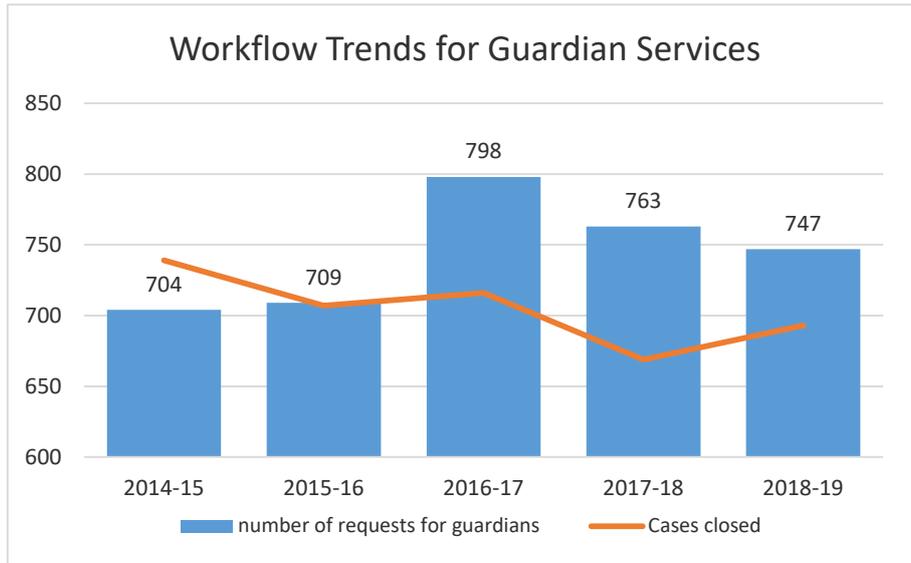
## **Representing Children**

The core purpose of the Agency's work is to represent the interests of the children and young people in Court and to report to the Court the wishes and feelings of the child regarding their circumstances and preferred outcome to the court proceeding. This is done through the appointment of a Guardian Ad Litem by the Court, subsequently allocated to a child or young person by NIGALA.

Compared to previous years requests for Guardians has remained relatively high from a peak in 2016/17. Whilst there is no research to validate the increase in requests, the complexity of cases and the issue of drugs and alcohol use are significant contributory factors.

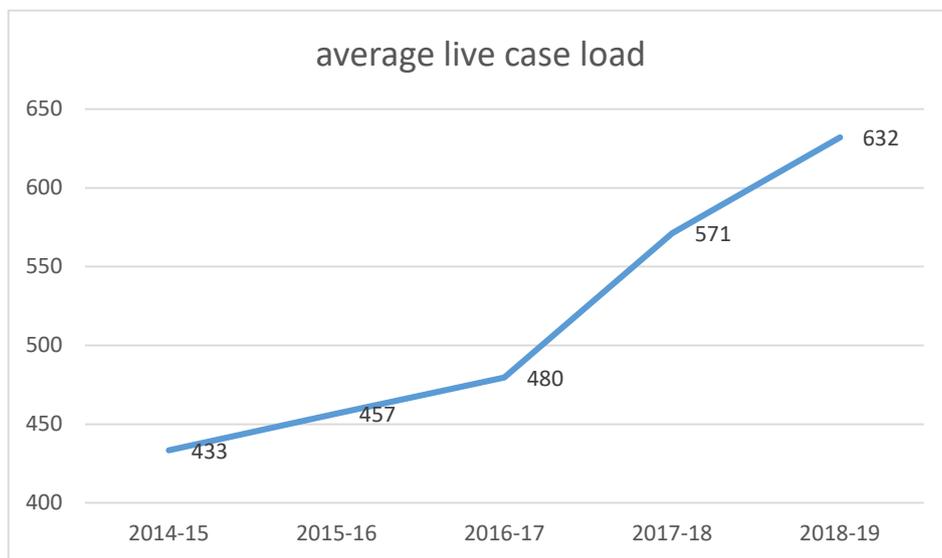
The need to achieve timely and sustainable outcomes in keeping with the child's age and assessed needs is a shared aspiration in court proceedings. Over the past year NIGALA has seen 747 new requests for Guardians with 709 cases closed. Whilst the number of appointments of a Guardian has remained comparable high over the past two years, cases have closed at a lower rate. Over the past three years new requests has exceeded closures, with the cumulative effect that the live caseload and children requiring ongoing support has increased. This can be seen in Chart 1, which shows the comparison between more new appointment requests and fewer cases closed in each of the past five years.

**Chart 1**



The gap between new requests and cases closed has resulted in a growth in the number of cases, or caseload, being managed at any one time. This can be seen in the Chart 2.

**Chart 2**

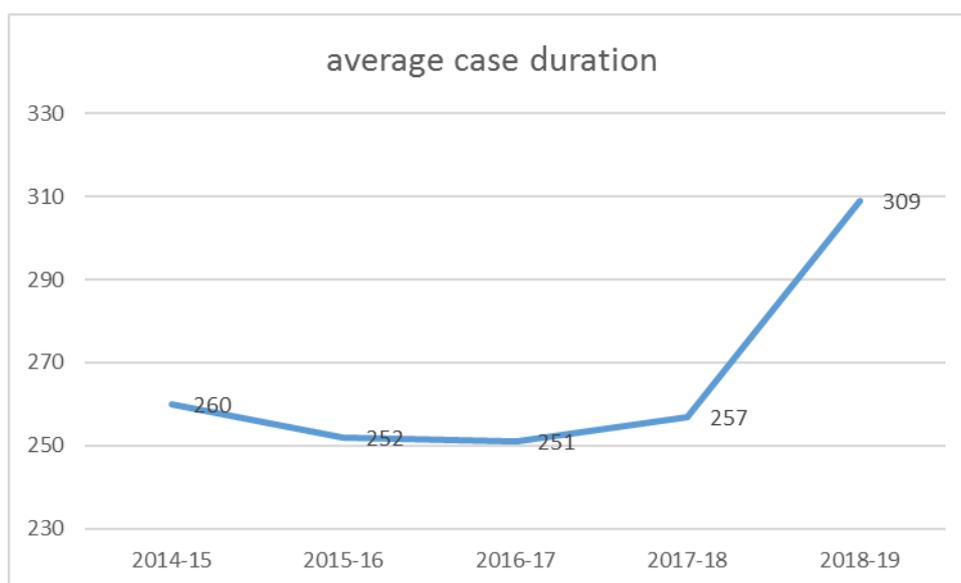


Over the past five years the average number of cases on any one month has increased from 433 cases to 632 cases, a 45% increase. A major factor in this is the average time a case will now last.

## Duration of proceedings

The average duration of a case with the Agency is 309 days compared to 257 days for the previous year. The Agency has found that 25% (an ongoing average of 160 cases) of its live case load is taking over 400 days to complete. As at the 31<sup>st</sup> March 2019 NIGALA had 651 cases with 175 cases running at over 400 days. The trend for an increase in the time taken to close a case is shown in Chart 3.

**Chart 3**



## Nature of requests

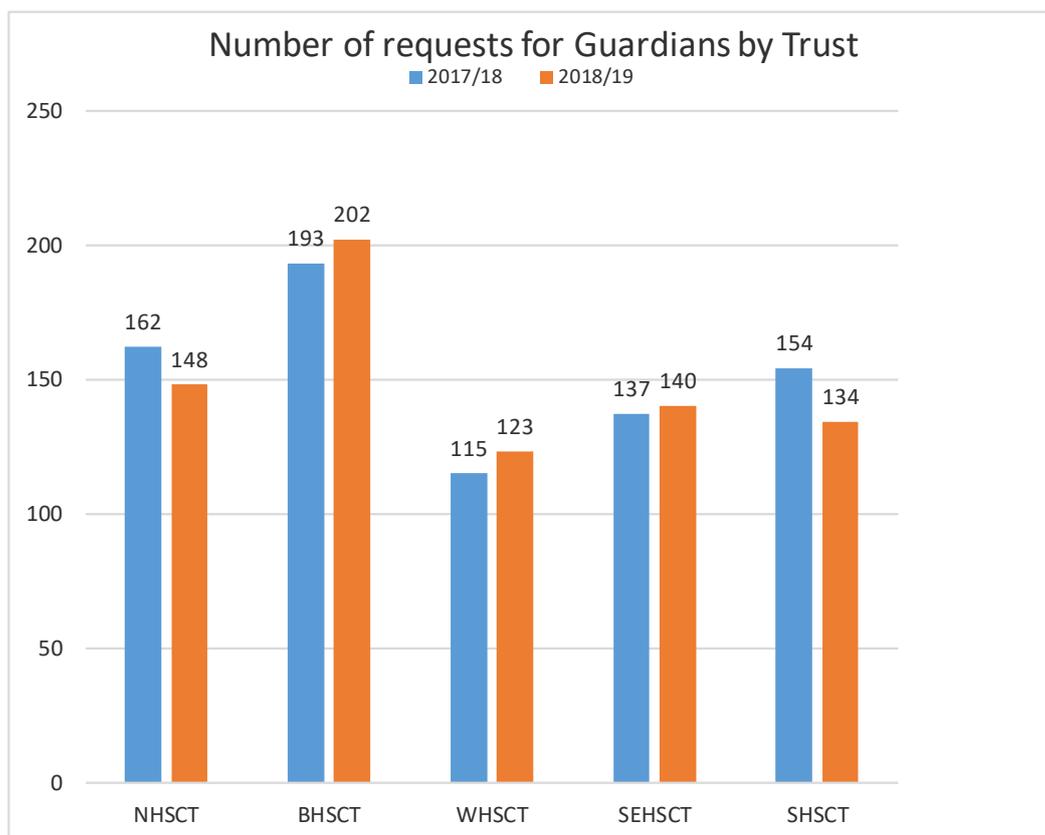
The reasons for the appointment of a Guardian to represent the interests of a child can be varied and complex. For 2018-19 closed cases included NIGALA representing children's interests in:

- Adoption cases, where 91 children were successfully adopted;
- Secure Accommodation cases, with 31 instances where the child was placed in Secure Accommodation;
- Care Applications. The largest number of requests for Guardian input is within Care Applications and this year NIGALA was involved in 326 such cases which were brought to a close. Closure of such cases has decreased from 372 cases in 2014/15, to 326 in 2018-19 a comparative reduction of 46.

## Regional picture

Health and Social Care services for children in Northern Ireland are provided by five Health Trusts. The figures for the past two years have been relatively static with none of the bodies seeing major dips or spikes in demand. Based on this, the higher level of demand over the past three years is forecast to continue. Chart 4 shows the number of requests received over the past 2 years by Trust.

**Chart 4**



## Quality

NIGALA, in line with all Arm's Length Bodies, provides the *Department of Health (DoH)* with an annual Quality Report which is lodged each September and published on the NIGALA website during *World Quality Day*. In 2018 the DoH responded to the Report saying '*the report is comprehensive and well-structured under the five Q2020 themes and meets the expectations of the Department as set out previously*'.

In 2018 the Agency was represented for the first time on the regional 'Quality Improvement in Social Work' programme facilitated by the South Eastern HSC Trust. Teresa Fallon, Assistant Director, and John Sheldon, Quality Assurance and Training Manager, successfully completed the 10 month course and delivered a Quality Improvement initiative on increasing the amount of feedback received from children and young people about the service they received from their guardian.

The NIGALA Professional Standards relate to the day to day work of the guardian in their role as the independent representative for the child or young person. In 2018 the Agency revised these standards and to provide minimum standards of practice for guardians to drive up a quality service and ensure that all children and young people receive a good standard of care.

### **Personal and Public Involvement**

Listening to the voices of children and young people is a core element of the Agency's mission and efforts are made to actively seek to hear what they say.

### **Feedback**

As part of the process to improve service delivery to children and young people, NIGALA provides feedback opportunities to children and young people (aged 7 years and over) at the end of their court proceedings.

During 2018-19, a total of 140 children and young people (out of 328 invitations) took the opportunity to share their views and their experience of our service, compared to 80 in the previous year. After engaging with young people NIGALA introduced a more user-friendly method of feedback with the invitation to rate their experience across 5 categories, as shown below.



Of the young people and children who responded 89% (125 out of 140 responses) thought our service was excellent or good. One child or young person thought the service was poor.

In addition to rating our service we also asked three questions. These can be seen below along with some of the comments from the children and young people in their own words.

### **What was most helpful about having a Guardian?**

- *She made our voices heard.*
- *My Guardian helped me take some of my worries away. I enjoyed drawing pictures for her. I felt happy when drawing.*
- *She gave me paper and I drew things and explained why I could not stay with my mum and dad.*
- *That I could voice what I wanted to happen to the Guardian and they would explain that at court.*
- *Because she is nice and helpful and a good guardian.* 

### **Would you like the Guardian to have done anything differently?**

- *Just for old people try and talk to them as their age instead of talking to them like kids.*
- *Yes, I would because so she could tell me more about a forever home.*
- *Yes, I feel like she shared her opinion too much.*
- *No, I feel the guardian done an excellent job and made the process as smooth as possible.*

### **What matters to you during the time you had a Guardian?**

- *I was just more excited about the residency and how there is no more social workers anymore.*
- *My guardian said in court what I wanted and always said things I wanted when I wanted go home.*
- *The thing that mattered most was that I needed to speak to someone about stuff she needed to know.*
- *What really matter to me was finishing the process, getting though it all and knowing why all these various things were done.*

NIGALA is currently collaborating with children and young people on new options for feedback. We have developed a mobile phone app so children and young people can provide real time feedback to ensure we are a current and relevant service and using the mediums for communication favoured by our service users.

### **Young People's Forum**

During 2017/18 NIGALA setting up a Young People's Forum to better integrate children's feedback into how we improve our service by.

Through the Forum the young people devised a charter called **My Expectations** which highlighted what they wanted to convey to Guardians and other professionals who are involved in their lives. The Agency has adopted these into its work activities and the approach to achieving its objectives.

Through the Forum young people also drew up "**Top Tips for Judges when Meeting Me**" to improve their participation in court proceedings.

The Forum met 3 times in 2018-19 and in a spirit of co-production has redesigned the Agency website and given direction on the content for children and young people.

### **Feedback from the Judiciary and Solicitors**

The Judiciary and solicitors are key stakeholders for NIGALA and we seek feedback on annual basis on their engagement with Guardians. Unfortunately we did not receive any feedback from the judiciary and current arrangements based on surveys will be reviewed to determine if there are better ways to gather views.

The Agency also seeks feedback from solicitors on a case to case basis as well as on the service as a whole. In the annual evaluation we received feedback from 59 solicitors out of a total of 94 requests. The overwhelming response was positive on the contribution of Guardians to a case with 50 out of 56 responses rating the service as good at all times. The remaining 6 responses found the service as good the majority of the times.

The continuing value of the Guardian role was a theme reflected throughout the majority of feedback forms as well as reflections on the changing role of the guardian and the relevance of focusing on developments such as children's and young people's participation in the process. The following comments were noted:

- The balance and reasoning contained within GAL reports is excellent
- The GALs play a vital role in assisting the courts and I have found this with all the GALs I have worked with
- The trend for independent social work reports is pointless as the GAL is an independent voice in proceedings.
- They always make court aware of the child's wishes and feelings but GALs views and recommendations may differ
- Nothing is perfect however the entire service works well with limited resources.

## **Health and Safety at Work**

The Agency has an approved Health and Safety at Work Policy. The Agency complies with the requirements of the Health and Safety at Work (NI) Order 1978 and all other relevant health and safety legislation and codes of practice. The Agency is committed to ensuring so far as is reasonably practicable the health, safety and welfare of its employees and of others who may be affected by its operations. The Agency receives expert advice and support on health and safety legislation and codes of practice through a Service Level Agreement with the Business Services Organisation. There have been no reported accidents in year.

The Health, Safety and Wellbeing Committee, which reports to the NIGALA Senior Management Team, has a responsibility to promote measures which ensure the health, safety and wellbeing of staff at work and for oversight of the NIGALA Sustainability action plan.

The Committee has representation from administration, corporate services, guardians ad litem, and management, and also representation from each NIGALA office. The Committee meets twice yearly.

NIGALA has access to an Occupational Health Service. In addition, the Agency continues to fund and operate a programme of employee assistance and confidential counselling through the Inspire Workplace organisation.

### **Sustainable Development**

The Agency has a Sustainable Development Plan. The plan supports the Northern Ireland Executive' Sustainable Development Strategy entitled "Everyone's involved", May 2010.

### **Highlights of our Year**

In summary NIGALA's contribution to serving children and young people can be summarised in the following celebration.



# HOW WE MADE A DIFFERENCE IN 2018-19

1,162

## Number of Children we helped

NIGALA are appointed by the NI Court and Tribunal Service to represent the best interests of children and young people and support their wishes and feelings in Court proceedings.



709

## Closed Cases

The number of cases which Guardians ad Litem have been involved in, which have had a decision made at a 'Final' Court Hearing and the Guardian has then been discharged. These cases involved **1152** children.

## NIGALA established a **Young People's Forum**

NIGALA is proud to have established a **Young People's Forum**. The Forum meets on a regular basis and works towards improving the service provided to children and young people. The Forum involves young people who have previously been represented by a Guardian ad Litem. They provide their views and thoughts on a number of areas of work across the Agency and this assists NIGALA in enhancing services to future children and young people involved in court proceedings.

## 91 Children Adopted

- 75 Placement Adoptions
- 14 Step-parent Adoptions
- 2 Intercountry Adoptions



## Time spent with children/young people

Guardians ad Litem meet all the children and young people involved in their caseload. They discuss their views, what their wishes are, explain the court process and represents their thoughts and best interests in Court Hearings.



NIGALA were delighted to have achieved the **Silver** Investors in People Award.



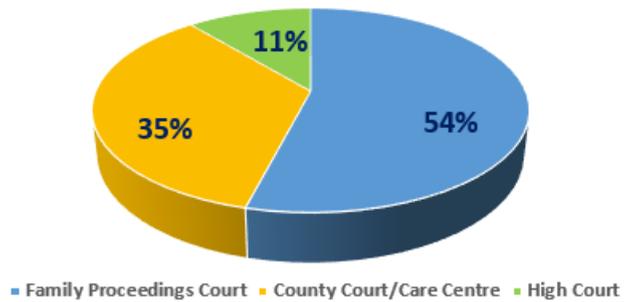
Like all HSC Trusts and Arm's Length Bodies are required to manage their budget closely. NIGALA broke even within its allocated budget of **£4.2 million**



## Feedback

We give every child over 7 years of age the opportunity to have a say and provide us with feedback about their experience of having a Guardian ad Litem. This helps us to improve the way we do things and make the experience for other children and young people better.

## Level of Court - Requests



*Some of the things children and young people said ...*

"I could tell her what I didn't want changed"

"She was kind and showed an interest in me"



"I was able to know everything that was going on"

"She made our voices heard"

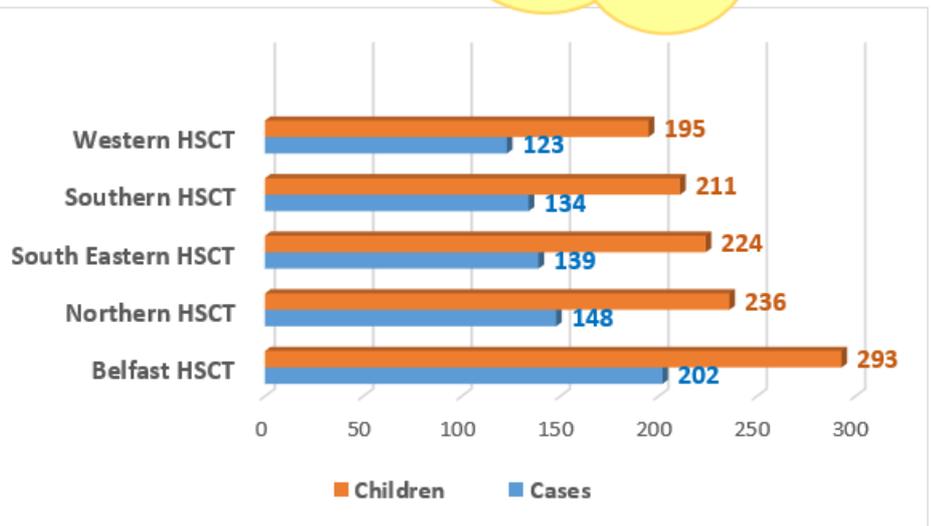
"I didn't have to go to Court and I could trust her"

"When I had bad things on my mind she could help me as much as she can"

## Case Requests

**746** requests for a Guardian

Ad Litem to be appointed in a case. Detailed by Trust area and number of children involved.



# Accountability Report

The Accountability Report for NIGALA is presented in three main sections, set out as below:

## **1. Corporate Governance Report**

The purpose of the Corporate Governance Report is to explain the make-up of the NIGALA, its governance structures and how they support the achievement of the NIGALA's objectives. The Corporate Governance Report is comprised of:

- a) Directors Report;
- b) Statement of Accounting Officer Responsibilities; and
- c) Governance Statement.

## **2. Remuneration and Staff report**

The Remuneration and Staff report sets out NIGALA's remuneration policy for its Non-Executive Directors, reports on how that policy has been implemented and sets out the amounts awarded to its directors and those senior staff key to the organisation's accountability.

## **3. Accountability and Audit report comprising**

The Accountability and Audit report brings together key accountability documents on NIGALA funding, expenditure and accountability disclosures as set out in Managing Public Money Northern Ireland. The Accountability and Audit report is comprised of:

- a) Funding Report; and
- b) Certificate of the Comptroller and Auditor General.

# Corporate Governance Report

## Directors Report

### **Statutory Background**

The Northern Ireland Guardian Ad Litem (Establishment and Constitution) Order (NI) 1995 was introduced on 1<sup>st</sup> December 1995 making provision for the constitution of the Agency and appointment of the Agency Board.

### **Principle Activities**

The overarching objective of the Agency is to independently represent children and young people's wishes, feelings and best interests in public law and adoption proceedings in order to safeguard and promote their welfare.

### **Chair and Chief Executive**

The Chair is responsible to the Minister of the Department of Health (DoH). The Chair is Mr Bernard Mitchell.

The Chief Executive is a member of the Board. The Chief Executive is responsible to the Board, through the Chair, for managing the NIGALA. As the designated Accounting Officer the post-holder has specific financial responsibilities and duties for which he or she is accountable to the Permanent Secretary of the DoH in his or her role as the Accounting Officer of the NIGALA's Sponsor Department. The Chief Executive for the period was Peter Reynolds and he has responsibility for the Annual Report and Accounts for the whole of the financial year to 31st March 2019.

### **The NIGALA Board, including the Non-Executive Director Report**

The Board of NIGALA comprises a Non-Executive Chair, four Non-Executive Members and the Chief Executive. Non-Executive Members are appointed through open competition

by the Minister of Health. The terms of office for members are found in the NIGALA (Establishment and Constitution) Order (NI) 1995. The Order provides that the Members shall be appointed for a period of four years. The Order also provides for the reappointment of the Members for such further period, not exceeding four years, as the Department of Health may determine.

The make-up of the Board of the NIGALA as at 31st March 2019 was:

- Mr Bernard Mitchell (Chair)
- Dr Karen Winter (Non-Executive Director)
- Mr Fred Smyth (Non-Executive Director)
- Mrs Gillian McGaughey (Non-Executive Director)
- Mr Peter Reynolds (Chief Executive)

Mr Lee Wilson was appointed to the Board on 8<sup>th</sup> April 2019 as a Non-Executive Director.

During the year the Board, including its Non-Executive Directors set out the workplan for the Agency in an annual business plan and monitored progress at each meeting through a Finance and Performance Report from the Senior Management team, comprising workflow reporting on the work of Guardians, financial performance and horizon scanning, providing an update on key developments across health and social care. The Board also follows the “Intelligent Board” concept receiving updates from staff and key stakeholders on key areas of work and service development at the beginning of each meeting. The Board has put in place a Governance framework to ensure that there is a reporting timetable for it to receive updates on key risks and assurances throughout the year.

### **Board Committee structure**

NIGALA has appointed the following Committees from its number:

- An Audit and Risk Assurance Committee.
- A Remuneration Committee
- An Information Governance Committee
- A Social Care Governance Committee.

### **Register of Interests**

The NIGALA maintains a register of interests which is formally reviewed annually. This register details interests which may conflict with the management responsibilities of Board

members and is recorded as necessary. The Register can be viewed at <http://www.nigala.hscni.net/26.htm>.

Each Board meeting includes an agenda item asking Board members to declare any conflicts of interest in the meeting business. There were no conflicts of interest identified by members during the period of this report.

### **Pension Scheme for All Staff**

Details of the pension scheme for staff and the treatment of pension liabilities in the accounts are included in the 'Remuneration Report and Staff Report' section of this document.

The Comptroller and Auditor General has been appointed as auditor for the NIGALA.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that it is made known to the NIGALA auditors. So far as the Accounting Officer is aware, there is no relevant audit information of which the NIGALA auditors have not been advised. The notional cost of the audit of the 2018-19 annual accounts was £15,200.

The Business Services Organisation provides an internal audit service to NIGALA. The cost for 2018-19 was £10,706.

All reports by internal and external audit are considered by the Audit and Risk Assurance Committee.

There was no remuneration paid to the Auditors for non-audit work during 2018-19.

### **Prompt payments**

The NIGALA has sought to observe the principles of the "CBI Better Payments Practice Code". The code advocates:

- Explaining payment procedures to suppliers;
- Agreeing payment terms at the outset and sticking to them;

- Paying bills in accordance with agreed terms, or as agreed by law;
- Telling suppliers without delay when an invoice is contested; and
- Settling quickly when a contested invoice gets a satisfactory response.

The code also seeks payment to be made within 30 days of the receipt of goods or valid invoice. In the course of the year a review of payments found that 97.5% of payments were made within the timeframe, against a target of 95%. It should be noted that 88.9% of invoices were paid within 10 days against a target of 70%.

The NIGALA compliance with this can be found in Note 14 of the accounts on page 96.

### **Personal data related incidents**

There were no reported incidents of loss of personal data during the 2018-19 year.

### **Fraud**

The NIGALA has a Fraud Policy and Fraud Response Plan in place and an appointed Fraud Liaison Officer. There were no reported incidents of Fraud within the year 2018-19.

### **Whistleblowing**

The NIGALA has a Whistleblowing Policy in place. There were no reported incidents under the Whistleblowing Policy within the year 2018-19.

### **Charitable donations**

The NIGALA did not receive or make any charitable donations within the year 2018-19.

### **Post balance sheet events**

There are no post balance events.

### **Resource Revenue Allocation Surplus**

The NIGALA recognised a £16,719 surplus in its operations against its Revenue Resource Limit of £4,308,268 for the year 2018-19.

## **Statement of Accounting Officer Responsibilities**

### **Accounts for Year Ended 31 March 2019**

Under the Health and Personal Social Services (Northern Ireland) Order 1972; the Department of Health has directed the Northern Ireland Guardian Ad Litem Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Guardian Ad Litem Agency of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FReM) 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 FReM have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health, as Principle Accounting Officer for Health and Personal Social Services Resources in Northern Ireland has designated Mr Peter Reynolds as the Accounting Officer for the Northern Ireland Guardian Ad Litem Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and

regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Guardian Ad Litem Agency assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Northern Ireland Guardian Ad Litem Agency auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## **Governance Statement 2018-19**

### **1. Introduction / Scope of Responsibility**

The Board of the Northern Ireland Guardian Ad Litem Agency (NIGALA) is accountable for internal control. As Accounting Officer and Chief Executive of NIGALA, 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).

As Accounting Officer, I represent the Agency's aims and objectives on a number of external groups which include the multi-disciplinary Shadow Family Justice Board chaired by the Family Judge of the Royal Courts of Justice, Northern Ireland and the Law Society of Northern Ireland Solicitor Accreditation Panel. With the introduction of Shared Services Systems in 2012/13, I have ensured representation of the Agency on the Regional Organisations Partnership Forums managed by the Business Services Organisation (BSO). NIGALA is also represented on the Safe Guarding Board for Northern Ireland and '*Signs of Safety*' steering group, as well as a range of external stakeholder groups.

NIGALA recognises the inter-dependence of partner stakeholder groups aligned to family justice and in this regard works collaboratively with all Family Court Business Committees and engages regularly with NI Courts and Tribunals Service and the Directorate of Legal Services (DLS).

As Accounting Officer, I further our aims and objectives through internal committees of the organisation i.e. the Agency Board, Audit and Risk Assurance Committee, Remuneration Committee, Information Governance Committee and Social Care Governance Committee. The aims and objectives of NIGALA are also progressed through the formal sponsorship arrangements with the DoH Family and Children's Policy Directorate.

NIGALA has a Management Statement and Financial Memorandum in place, revised in 2017/18, which sets out the strategic control framework within which NIGALA is required to operate and the conditions under which Government funds are provided as detailed in

Managing Public Money Northern Ireland. The Accounting Officer and the Chair of NIGALA apprise the DoH at the highest level of engagement through twice yearly Accountability Meetings, and at the same time the NIGALA works in partnership with the DoH Sponsor Branch to ensure operational and strategic issues are raised appropriately throughout the year.

## **2. Compliance with Corporate Governance Best Practice**

NIGALA applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The NIGALA Board does this by undertaking continuous assessment of its compliance with corporate governance best practice by;

- The regular review by the Audit and Risk Assurance Committee of governance documents including standing financial instructions, standing orders, the standards of business conduct for all staff and the review of this Governance Statement;
- The existence in Standing Orders of a schedule of matters reserved solely for Board decisions;
- The existence in standing orders of a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- The agreement of regular reports which come before the Board for approval;
- A robust system for the approval of relevant Agency policies;
- The production of a Mid-Year Assurance Statement and end of year Governance Statement;
- A Board approved accountability structure of Board sub-committees as outlined in Figure 2;
- A Governance Framework; and
- A completion of a self-assessment tool for all Board committees.

An action plan for the annual Board self-assessment was completed in year.

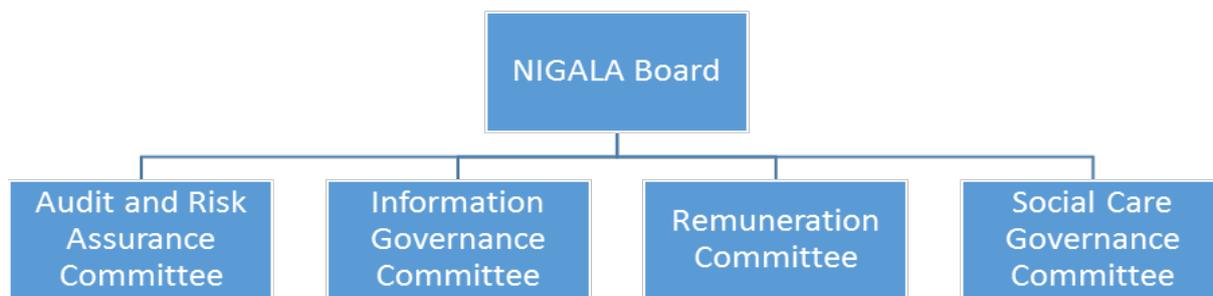
The summary Board assessment for NIGALA was RAG rated green and this includes the section on data quality and information received by the Board. There were no RAG rated red compliance areas.

### 3. Governance Framework

#### Role and Performance of Committees

The Board's committee structure is outlined in Figure 2 below.

**Figure 2: NIGALA Board's Committee Structure**



**The NIGALA Board** has corporate responsibility to ensure the achievement of all aims and objectives set by the Minister/Department, and for promoting the efficient, economic and effective use of staff and other resources. At full complement the Board comprises of a Chair, four Non-Executive Directors and the Chief Executive. The Board has delivered the following key functions:

1. Established the overall strategic direction of the organisation within the policy and resources framework determined by the Minister/Department;
2. Overseen the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
3. Implemented effective financial stewardship through value for money, financial control and financial planning and strategy;
4. Ensured high standards of corporate governance;

5. Appraised and remunerated the Chief Executive;
6. Made well-informed and high-quality decisions based on a clear line of sight into the business;
7. Ensured that there is effective dialogue between NIGALA and its stakeholders on its plans and performance and that these are responsive to stakeholder needs;
8. Ensured that NIGALA has robust and effective arrangements in place for social care governance and risk management;
9. Revised the Terms of Reference for the Board sub-committees
10. Overseen the Board sub-committee work and action plans

The NIGALA Board met on 6 occasions during 2018-19. Attendance of members at Board meetings is set out in the table below:

Name	% Attendance	Meetings attended out of 6 meetings
Mr Bernard Mitchell	66%	4
Mr Peter Reynolds	100%	6
Mrs Gillian McGaughey	66%	4
Mrs Karen Winter	66%	4
Mr Fred Smyth	100%	6

**The Audit and Risk Assurance Committee** advises the Board and Accounting Officer with regard to their responsibilities for issues of risk, control and governance and the reliability of associated assurances provided by the External and Internal auditor; through a process of constructive challenge. The Committee is chaired by a member of the Board and reports to the Board after every meeting. This committee has met on 4 occasions during 2018-19 and provided an annual written report to the Board on Committee work. The Audit and Risk Assurance Committee used the National Audit Office Audit Committee Self-assessment Checklist to review its good practice. The Audit and Risk Assurance Committee self-assessed that it met the five Good Practice Principles of the checklist.

**The Remuneration Committee** makes recommendations to the Board on all aspects of remuneration and terms and conditions of employment for the Chief Executive and the contract for services and fee structure for self-employed Guardians ad Litem. This Committee has met once during 2018-19.

**The Social Care Governance Committee** supports the Board in all aspects of social care governance by providing an independent and objective review of the adequacy and effectiveness of control systems and processes in place to support the delivery of the Guardian ad Litem service to children and young people. The Committee met on 2 occasions during 2018-19. The Committee is chaired by a member of the Board and reports to the Board after every meeting.

**The Information Governance Committee** has primary responsibility for advising the Board on relevant processes and assurances which are required to manage all personal and corporate information handled by the Agency. At the beginning of the year the Committee's work was focussed on scrutinising the NIGALA preparations for the introduction of the General Data Protection Regulation in May 2018. This Committee has met on two occasions during 2018-19.

#### **4. Business Planning and Risk Management**

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

The NIGALA has produced a Corporate Plan for the period 2017/21. The plan sets out the high level goals as agreed by the Board which will deliver on the statutory functions and obligations of the organisation. The Corporate Plan was subject to NIGALA Board and DoH approval. The Corporate Plan was issued for formal consultation and input was sought from key stakeholders. The Corporate Plan is presented to the Board on an annual basis for noting as part of the business planning cycle. The corporate planning process is led by the Head of Corporate Services. Delivery of the Corporate Plan is the responsibility of the Chief Executive, supported by the Senior Management Team.

## **Business Planning**

Each year a set of objectives are set out in a Business Plan which details how the achievement of the Corporate Plan goals will be demonstrated. The objectives are clearly set out under each of the organisation's corporate goals.

The system of business planning is designed to take account of strategic and operational priorities and ensure feedback from NIGALA staff, stakeholders and the DoH Sponsoring Branch. The system of business planning involves the following:

- Taking cognisance of independent assurance reports and recommendations on the NIGALA internal control framework;
- DoH Sponsor Branch Priorities as discussed with NIGALA to be included in the Business Plan;
- Review of prior year objectives and whether continued progress needs to be identified in the current business planning cycle;
- Identification of objectives through regular business planning preparation meetings between the Senior Management Team, Board Members and Staff; and
- Cognisance of the external environment and potential risks impacting on the Guardian ad Litem service delivery and the identification of key actions to be included in the business planning process.

Objectives in the Business Plan are monitored by the Senior Management Team on a quarterly basis using a RAG rating approach, and are monitored by the Board on a bi-annual basis with progress updates submitted to DoH Sponsor-Branch bi-annually in accordance with the Business Plan monitoring arrangements.

## **Risk Management**

The Risk Management Strategy and the system of risk management and internal control at NIGALA is based on the mitigation of risk to a reasonable level and seeks to eliminate all

risk of failure to achieve policies, aims and objectives where possible. The system is based on an on-going process designed to:

- Identify and prioritise risks to the achievement of organisational policies, aims and objectives; and
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically; and
- Assess Risk Appetite on the basis that where NIGALA is willing to accept an amount of risk to meet greater reward it will identify the risk appetite as 'Risk Open'. Where NIGALA is not willing to tolerate increased risks it will identify that risk as "Risk Averse".

The Chief Executive has overall responsibility to the Board for risk management. The Head of Corporate Services is responsible for implementation of the Risk Management Strategy. The Risk Management Strategy forms the basis for systematic review of risk by the Senior Management Team.

The embedding of risk management within the Agency is carried out in the following ways:

- Undertaking assessments to identify the principal risks to the NIGALA and reporting these to the Board and an Audit and Risk Assurance Committee through a Corporate Risk Register;
- Identification of the officers responsible for ensuring that the risk management actions are completed is detailed in the Corporate Risk Register;
- Monitoring and reviewing the effectiveness of the Assurance Framework;
- Ensuring that risk management policies are developed to define risk management responsibilities and to embed an ethos of learning and improvement following adverse incidents;
- Integrating risk management into the annual planning process, ensuring that risks inform the planning process;
- Completing and annually reporting on compliance with DoH risk management requirements;

- Reviewing its operations and controls under areas previously contained within Controls Assurance Standards so as to provide evidence that the NIGALA is doing its “reasonable best” to manage itself in order to meet objectives and protect service users, staff and other stakeholders against risks of all kinds.
- Empowering staff at all levels in the organisation to identify, assess and notify risks;
- Developing and maintaining a “no blame” culture. In such a culture, staff are accountable for their actions, but it is recognised that individuals can and do make mistakes. The NIGALA Board is committed to having an open and honest approach in all matters and to be a supportive, open and learning organisation; and
- Ensuring an appropriate business continuity plan is in place and reviewed to maintain the organisation's key business activities.

Leadership for risk management is provided through the Senior Management Team which adheres to Board approved Guidance and Policy on the management of the Risk Register, actions to mitigate risk and learning lessons from reports on incident management and complaints. The strategy was reviewed and updated in year to reflect alignment with the regional Risk Management approach. The system of internal control has been in place in the Agency for the year ended 31<sup>st</sup> March 2019, and, up to the date of approval of the Annual Report and Accounts, accords with DoH Guidance. A Mid-Year Assurance Statement was signed on the 2<sup>nd</sup> October 2018 and submitted to Sponsor Branch, updating progress on the continuing effectiveness of the system of internal control to the Permanent Secretary of the DoH.

## **Fraud**

The NIGALA takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. Our Head of Corporate Services and Fraud Liaison Officer (FLO) promote fraud awareness, co-ordinate investigations in conjunction with the BSO counter Fraud and Probity Services team and provide advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in

support of the Anti-Fraud Policy and Fraud Response plan, which are kept under review and updated as appropriate every five years.

## **5. Information Risk**

In terms of information risk, the Agency deals directly with sensitive personal client information.

The Agency has implemented a range of actions to ensure the security of personal client information and to mitigate any risk of personal data loss within the Agency as follows:

- Implementation and training of key staff in their roles as Senior Information Risk Owner (SIRO) and Information Asset Owner (IAO);
- Completion of the Security of Information – HSC e-learning module by all NIGALA staff;
- Continued oversight of a Data Sharing Agreement with the NIGALA Panel of Solicitors;
- Review of information governance arrangements within the Agency by the Information Governance Committee;
- Regular information governance awareness campaigns throughout NIGALA.
- Attendance at the Regional Information Governance Advisory Committee, chaired by the DoH.
- Full implementation the General Data Protection Regulation in May 2018, including a full review of all policies, training for all staff, development of a Privacy Notice and the appointment of a Data Protection Officer.

The Chief Executive has completed the annual Information Governance Assurance Statement as set out by the DoH. The statement provided satisfactory assurance on the system of internal control.

## **6. Public Stakeholder Involvement**

The Agency has a Personal and Public Involvement (PPI) Strategy which includes a user and stakeholder map and action plan to inform and promote effective engagement with our users and stakeholders.

The Agency has established a Youth Forum to appropriately engage with young people

The Agency is a participant in the Regional Personal and Public Involvement Forum.

## **7. Assurance**

The Board receives regular assurance from a range of sources which include internal and external audit, sub-committee reports, minutes and a schedule of assurance reports from the Senior Management Team. This is set out in a Governance Framework.

The Chair appraises the quality of the information and performance of the committees in the annual appraisal of each of the Non-Executive Directors.

## **8. Sources of Independent Assurance**

NIGALA obtains independent assurance from the following sources:

### **Internal Audit**

NIGALA has a Service Level Agreement with the Business Services Organisation for the provision of an internal audit function, which operates to defined standards and whose work is informed by an analysis of risks to which the organisation is exposed and annual audit plans are based on this analysis. In 2018-19, the Internal Auditor reviewed the following systems and provided satisfactory assurance on the system of internal control:

- Financial Review;
- Performance, Absence and Complaints Management;
- Compliance with Permanent Secretary's Guidance on Travel;
- ICT User Behaviour and Application Access Control; and
- Case allocation management.

Internal Audit undertook a high-level review of the processes established within NIGALA to monitor compliance with the required standards, policies, legislation etc. previously contained within the Controls Assurance Standards and the process for providing assurance on this to the Chief Executive and the Board (and onwards to DoH in the tailored format they have requested). Internal Audit concluded that the processes adopted by NIGALA for 2018-19 should be adequate to provide appropriate assurances internally in the areas previously covered by the former Control Assurance Standards.

Follow up reviews were conducted on previous Internal Audit recommendations. There were no priority one findings. Out of 16 recommendations accepted, 13 (81%) of those examined are now deemed fully implemented, and 3 (19%) are partially implemented. Management is addressing recommendations not fully implemented, with dates set for delivery.

In her Annual Report, the Head of Internal Audit reported **satisfactory** assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.

It should be noted that the Agency has a Service Level Agreement with the Business Services Organisation (BSO) for, Human Resources, Procurement, Equality, Shared Services Financial Payments, Payroll and Travel and the review of these systems by the Internal Auditor is reported as part of the BSO Annual Assurance Report. All services receiving satisfactory assurance with the exception of Payroll Shared Services which received limited assurance. These reports have been presented to the BSO and NIGALA Audit Committees.

## **External Audit**

The NI Audit Office conduct an external audit of NIGALA's financial statements and provide assurance, through the audit opinion report, that the accounts are 'True and Fair' and that the income and expenditure has been used for the purposes intended. This report is addressed to the Northern Ireland Assembly rather than NIGALA. The results of the audit and any issues that NIAO identify during the course of conducting their audit are communicated to the NIGALA Audit Committee and Management in the Report to Those

Charged with Governance (RTTCWG). A representative from the Northern Ireland Audit Office is invited to attend the NIGALA Audit and Risk Assurance Committee Meetings. The External Auditor is required to certify, examine and report on each of the Statements comprising the Financial Statements of the Agency.

## **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, by Assurance Reports from the Senior Management Team within the Agency 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 the Board, Audit and Risk Assurance Committee, Social Care Governance Committee and Information Governance Committee and plans to address weaknesses and ensure continuous improvement to the system are in place.

## **10. Internal Governance Divergences**

NIGALA does not have any significant Internal Control divergences identified in 2018-19.

### **Update on prior year control issues which continue to be considered control issues**

#### **Workload pressures**

The most challenging risk facing NIGALA is how best to manage work load pressures in the context of budgetary constraints. This poses the question, whether NIGALA could be in breach of its statutory obligations under the Children (NI) Order 1995 (the Order). By imposing a cap or waiting list which will inevitably lead to delay in cases being progressed, this in turn acts to breach the '*no delay*' principle which underpins the Order. In addition the Agency will attract considerable criticism from the judiciary if unable to appoint guardians within the timetable prescribed by the Court. In accordance with a duty to '*safeguard the interests of the child*' a delay in the appointment of a guardian may well

prejudice the interests of the child thereby having an adverse impact. The NIGALA has worked positively in partnership with the DoH in seeking to secure sufficient resources to deliver its services to children and young people in a timely way, keeping waiting times to a minimum during 2018-19.

## **Financial Challenges**

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20th July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15th March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

NIGALA continued to monitor its control in areas of identified risk; notably the Agency is anticipating a continued high level of demand in adoption and public law applications in the next financial year. In year NIGALA made a 1% contribution to the 2018-19 pay award. Within its goods and services budget NIGALA has reviewed its commitments and in particular its discretionary spending to ensure value for money.

## **Self Employed Guardian Ad Litem Status**

The NIGALA continues to monitor the legal status of self-employed Guardians Ad Litem. A formal challenge to the status has been received and is being addressed by NIGALA. The Agency continues to appraise the Department of developments and responses to this risk.

## **EU Exit**

NIGALA has actively worked with the Department on the potential impact of a 'no deal' outcome from the UK-EU negotiations on the services it provides. The process will continue to be refined as more clarity emerges on the detail of the final agreement.

## 11. Conclusion

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

Further to considering the accountability framework within the NIGALA and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the NIGALA has operated a sound system of internal governance during the period 2018-19.



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**Peter Reynolds**  
**Chief Executive**  
**4<sup>th</sup> July 2019**

## Remuneration Report

### **Scope of the Report**

The Remuneration Report summarises the Remuneration Policy of NIGALA and particularly its application in connection with senior executives. The Report also describes how NIGALA applies the principles of good corporate governance in relation to senior executives' remuneration in accordance with HSS(SM) 3/2001 and subsequent supplements issued by the DoH.

### **Remuneration Committee**

NIGALA, as set out in its Standing Orders, has delegated certain functions to the Remuneration Committee. The Remuneration Committee; a subcommittee of the NIGALA Board exists to advise the full Board on:

- a) The performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive.
- b) The setting of robust objectives, performance measures and evaluation processes for the Chief Executive.
- c) The oversight of appropriate contractual arrangements for the Chief Executive including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- d) The contractual arrangements and level of fees and expenses to be paid to the self-employed contracted members who have been appointed to the Agency's Panel for the purposes of undertaking guardian ad litem work.

The Remuneration Committee is also responsible for the determination of the remuneration of senior managers and, in the case of NIGALA, this is confined to the Chief Executive, since the introduction of Agenda for Change terms and conditions of service for all other members of staff. Guidance on remuneration of senior managers is issued centrally by the DoH.

Assessment of performance of the Chief Executive is carried out annually by the Board Chair, who makes a full report including a recommendation to the Remuneration Committee in regard to the application of the relevant pay circular and associated performance banding which relates to the actual pay award. The assessment of performance is carried out following annual appraisal and the review of performance against Chief Executive objectives set at the beginning of the financial year. This is submitted to the Board for approval.

### **Remuneration Committee Membership**

The Remuneration Committee membership is as follows:

- Mr Bernard Mitchell – Committee Chair (Board Chair)
- Mr Fred Smyth

The Human Resource Director of the Business Services Organisation, with which NIGALA has a service level agreement for personnel services attends upon invitation  
The NIGALA Chief Executive and Head of Corporate Services attend upon invitation.

The committee met on the following date in 2018-19:

- 6<sup>th</sup> December 2018

### **Policy Statement on Remuneration of the Chief Executive**

The overall objective of the senior manager remuneration arrangements is to achieve a fair, transparent, affordable and defensible pay and grading system for all Senior Executives employed across the HSC.

## **Executive Pay Arrangement**

The main components of the arrangements are:

- pay and terms and conditions of service for the Chief Executive are determined by the DoH;
- the Chief Executive post is subject to evaluation by the DoH Evaluation Panel which is responsible for the management, maintenance and integrity of the evaluation process;
- pay ranges will be reviewed annually and the effective date for any extension of the pay ranges following review of the ranges by the Minister will be 1<sup>st</sup> April in the year of the review;
- there will be progression through the pay range subject to fully acceptable performance;

## **Contracts**

HSC appointments are made on the basis of the merit principle in fair and open competition and in accordance with all relevant legislation and Circular HSS (SM) 3/2001. Unless otherwise stated, the employee/s covered by this Report are appointed on a permanent basis, subject to satisfactory performance.

The date of appointment for the NIGALA Executive and Non-Executive Directors, and the Chair are set out below in Table 3:

**Table 3: Date of Appointment for the NIGALA Executive & Non-Executive Directors**

<b>Name</b>	<b>Position</b>	<b>Date of Appointment</b>
<i><b>Chair</b></i>		
Bernard Mitchell	Chair	3 November 2011 (re-appointed 3 November 2015)
<i><b>Non-Executive Directors*</b></i>		
Dr Karen Winter	Non-Executive Director	12 May 2014 (re-appointed 12 May 2018)
Gillian McGaughey	Non-Executive Director	13 January 2014 (re-appointed 13 January 2018)
Fred Smyth	Non-Executive Director	13 January 2014 (re-appointed 13 January 2018)
<i><b>Executive Director</b></i>		
Mr Peter Reynolds	Chief Executive	1 December 2016 <sup>5</sup>

**Notice Periods**

3 months' notice is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

**Retirement Age**

Currently, employees are required to retire at age 65 years and occupational pensions are normally effective from age 60 years. With effect from 1<sup>st</sup> October 2006, with the introduction of the Equality (Age) Regulations (Northern Ireland) 2006, employees are able to request to work beyond age 65 years.

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<sup>5</sup> Acting position from 21 October 2015

## Compensation for Premature Retirement

In accordance with DHSSPSNI circular HSS (S) 11/83 and subsequent supplements, there is provision within the HSC Superannuation Scheme for premature retirement with immediate payment of superannuation benefits and compensation for eligible employees on the grounds of:-

- Efficiency of the service
- Redundancy
- Organisational change

Section 16 of the Agenda for Change Terms and Conditions Handbook (issued on 14 February 2007 under cover of the Department's Guidance Circular HSS (AfC) (4) 2007) sets out the arrangements for early retirement on the grounds of redundancy and in the interest of the service. Further Circulars were issued by the Department HSS (AfC) (6) 2007 and HSS (AfC) (5) 2008 setting out changes to the timescale for the operation of the transitional protection under these arrangements.

Under the terms of Section 16 of the Agenda for Change Terms and Conditions Handbook individuals who were members of the HSC Superannuation Scheme prior to 1 October 2006, are over 50 years of age and have at least 5 years membership of the HSC Superannuation Scheme qualify for transitional protection. Staff who qualify for transitional protection are entitled to receive what they would have received by way of pension and redundancy payment had they taken redundancy retirement on 30 September 2006. This includes enhancement of up to 10 years additional service (reduced by the number of years between September 2006 and the actual date of retirement) and a lump sum redundancy payment of up to 30 weeks pay (reduced by 30% for each year of additional service over 6 2/3 years).

Alternatively, staff made redundant who are members of the HSC Pension Scheme, have at least two years "continuous service" and two years "qualifying membership" and have reached the minimum pension age currently 50 years can opt to retire early without a reduction in their pension as an alternative to a lump sum redundancy payment of up to 24 months. In this case the cost of the early payment of the pension is paid from the lump sum redundancy payment. However if the redundancy payment is not sufficient to meet the early payment of pension cost, the employer is required to meet the additional cost.

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. 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 at note 4. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

### Early Retirement and Other Compensation Scheme Exit Packages (Audited)

There were no Early Retirement and Other Compensation Scheme Exit Packages paid in the years 2018-19 or 2017-18.

#### 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 packages by cost band	
	2019	2018	2019	2018	2019	2018
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	-	-	-	-	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
<b>Total number of exit packages by type</b>	-	-	-	-	-	-
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	-	-	-	-	-	-

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. 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 at note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

## Staff Costs (Audited)

			<b>2019</b>	<b>2018</b>
Staff costs comprise:	<b>Permanently employed staff £000s</b>	<b>Others £000s</b>	<b>Total £000s</b>	<b>Total £000s</b>
Wages and salaries	2,622	5	2,627	2,608
Social security costs	281	0	281	278
Other pension costs	404	0	404	410
<b>Sub-Total</b>	<b>3,307</b>	<b>5</b>	<b>3,312</b>	<b>3,296</b>
Capitalised staff costs	-	-	-	-
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>3,307</b>	<b>5</b>	<b>3,312</b>	<b>3,296</b>
Less recoveries in respect of outward secondments			(75)	(75)
<b>Total net costs</b>			<b>3,237</b>	<b>3,221</b>

The NIGALA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both NIGALA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. NIGALA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2018-19 accounts.

### Average Number of persons employed (WTE) (Audited)

The average number of whole time equivalents persons employed during the year was as follows

			2019	2018
	Permanently employed staff	Others	Total	Total
	No.	No.	No.	No.
Administrative and Clerical	23	0	23	26
Social Services	41	0	41	41
	64	0	64	67
Less average staff number relating to capitalised staff costs			0	0
Less average staff number in respect of outward secondments			1	1
<b>Total net average number of persons employed</b>			<b>63</b>	<b>66</b>

The staff numbers disclosed as Others in 2018-19 relate to temporary members of staff.

## Senior Employees' Remuneration

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the NIGALA were as follows:

Name	2018-19					2017-18				
	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s	Salary £000s	Bonus / Performance Pay £000s	Benefits in kind (rounded to nearest £100)	Pension Benefits (rounded to nearest £1,000)	Total £000s
<b>Non-Executive Members</b>										
Bernard Mitchell	5-10	-	-	-	5-10	5-10	-	-	-	5-10
David Watters*	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Gillian McCaughey	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Fredrick Smith	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Karen Winter	0-5	-	-	-	0-5	0-5	-	-	-	0-5
<b>Executive Members</b>										
Peter Reynolds**	60-65	-	-	-	60-65	60-65	-	400	34	95-100

\*David Watters resigned 04/08/2017 (salary in 2018-19 relates to backdated arrears)

\*\*Permanent CEO from 1st December 2016

## Pensions of Senior Management

There are no pension figures for Senior Management as Peter Reynolds has reached retirement age.

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

## Fair Pay Statement

The Hutton Fair Pay Review recommended that, from 2011-12, all public service organisations publish their top to median pay multiples each year. The DoH subsequently issued Circular HSC (F) 23/2012, setting out a requirement to disclose the relationship between the remuneration of the most highly paid director in the organisation and the median remuneration of the organisation's workforce. Following application of the guidance contained in Circular (F) 23/2012, the following can be reported:

<b>Audited</b>	<b>2018-19</b>	<b>2017-18</b>
Band of Highest Paid Director's Total Remuneration:	60-65	60-65
Median Total Remuneration	£49,476	£48,035
Ratio	1.3	1.3
Range of Staff Remuneration (£'000):	18-63	17-63

Further details about the Health Service pension arrangements can be found at the website [www.hscpensions.hscni.net](http://www.hscpensions.hscni.net)

## **Staff Report for Year Ended 31<sup>st</sup> March 2019**

The average number of Whole Time Equivalent persons employed by NIGALA during 2018-19 is 63.

### **Staff Composition**

The following table gives an outline of permanently employed staff and Board composition based on gender at the year ended 31st March 2019.

<b><i>Pay Band</i></b>	<b><i>Male</i></b>	<b><i>Female</i></b>
Non Executives	2	2
Senior Management Team	3	2
Admin and Clerical	1	15
Social Services	5	37
Total	11	56

### **Training and Development**

The NIGALA values its staff and is committed to enhancing their skills and improving their contribution to the organisation's goals. Individuals are encouraged to complete a Personal Development Plan (PDP) as part of the appraisal process. Overall, needs are very much focused on service delivery with outcomes that relate to performance against business plan goals and the NIGALA objectives.

### **Staff Benefits**

There were no Staff Benefits in this year.

### **Sickness absence data**

The NIGALA sickness absence rate over the year was 4.04 % against a target of 4.5%

### **Retirements due to ill-health**

During 2018-19 and 2017/18 there were no early retirements from the NIGALA on the grounds of ill-health.

### **Consultancy**

The NIGALA has not engaged any consultants over the period.

### **Off Payroll engagements**

There were no off payroll engagements during the year 2018-19.

### **Equality**

The NIGALA has an approved policy on Equality of Opportunity, setting out its commitment to the promotion of equality of opportunity in, and by, the NIGALA.

### **Disability**

The NIGALA has an approved Disability Action Plan setting out its commitment to promoting positive attitudes towards disabled people and encouraging participation by disabled people in public life.



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**Peter Reynolds**

**Chief Executive**

**4<sup>th</sup> July 2019**

### **3. ACCOUNTABILITY AND AUDIT REPORT**

#### **a) Funding Report**

##### **Funding**

The NIGALA is funded by the DoH through an annual Revenue Resource Limit.

##### **Regularity of Expenditure (Audited)**

The NIGALA has a delegated Scheme of Authority which sets out who are authorised to place non-pay expenditure. The Scheme sets out who are authorised to place requisitions for the supply of goods and services and the maximum level of each requisition.

The NIGALA has a Service Level Agreement with the Business Services Organisation, including provision of professional advice regarding the supply of goods and services to ensure proper stewardship of public funds and assets. Under that Service Level Agreement, the Procurement and Logistics Service is a Centre of Procurement Excellence to provide assurance that the systems and processes used in procurement ensure appropriate probity and propriety.

The Head of Development and Corporate Services ensures that expenditure is in accordance with regulations and all necessary authorisations have been obtained.

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

In line with HSC(F) 08-2019, the Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and reasonable.

### **Special Payments**

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

### **Other Payments and Estimates**

There were no other payments made during the year.

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

The NIGALA had no losses or made no special payments over £250,000.

### **Fees and Charges (Audited)**

There were no other fees and charges during the year.

### **Remote Contingent Liabilities (Audited)**

In addition to contingent liabilities reported within the meaning of IAS37, the NIGALA also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

The NIGALA has a remote contingent liability. There is a challenge to the status of Self Employed GALs. NIGALA considers the criteria for a provision has not been met in that legal and constructive obligation has not been met and also any potential payment of liability is not probable.

**Losses and Special Payments (Audited)**  
**Accountability Disclosure Notes**

Type of loss and special payment	2018-19		2017-18
	Number of Cases	£	£
<b>Cash losses</b>			
Cash Losses - Theft, fraud etc	-	-	-
Cash Losses - Overpayments of salaries, wages and allowances	-	-	-
Cash Losses - Other causes	-	-	-
	-	-	-
<b>Claims abandoned</b>			
Waived or abandoned claims	-	-	-
	-	-	-
<b>Administrative write-offs</b>			
Bad debts	-	-	-
Other	-	-	-
	-	-	-
<b>Fruitless payments</b>			
Late Payment of Commercial Debt	-	-	-
Other fruitless payments and constructive losses	-	-	-
	-	-	-
<b>Stores losses</b>			
Losses of accountable stores through any deliberate act	-	-	-
Other stores losses	-	-	-
	-	-	-
<b>Special Payments</b>			
Compensation payments			
- Clinical Negligence	-	-	-
- Public Liability	-	-	-
- Employers Liability	-	-	-
- Other	-	-	-
	-	-	-
Ex-gratia payments	-	-	-
Extra contractual	-	-	-
Special severance payments	-	-	-
<b>TOTAL</b>	-	-	-

## **b) Certificate and Report of the Comptroller and Auditor General**

### **Northern Ireland Guardian Ad Litem Agency**

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

##### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Guardian Ad Litem Agency for the year ended 31 March 2019 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Guardian Ad Litem Agency's affairs as at 31 March 2019 and of the Northern Ireland Guardian Ad Litem Agency's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

##### **Opinion on regularity**

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

##### **Basis of opinions**

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

##### **Other Information**

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

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

##### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities of the Board and Accounting Officer for the financial statements**

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

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

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

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the 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.

### **Matters on which I report by exception**

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

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

### **Report**

I have no observations to make on these financial statements.



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

11 July 2019

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2019

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

		2019	2018
	NOTE	£	£
<b>Income</b>			
Revenue from contracts with customers	4.1	-	-
Other operating income	4.2	74,837	105,185
Deferred income	4.3	-	-
<b>Total operating income</b>		<b>74,837</b>	<b>105,185</b>
<b>Expenditure</b>			
Staff costs	3	(3,312,477)	(3,296,632)
Purchase of goods and services	3	(19,852)	(11,512)
Depreciation, amortisation and impairment charges	3	(56,338)	(65,451)
Provision expense	3	-	-
Other expenditure	3	(994,438)	(905,144)
<b>Total operating expenditure</b>		<b>(4,383,105)</b>	<b>(4,278,739)</b>
<b>Net Expenditure</b>		<b>(4,308,268)</b>	<b>(4,173,554)</b>
Finance income	4.2	-	-
Finance expense	3	-	-
<b>Net expenditure for the year</b>		<b>(4,308,268)</b>	<b>(4,173,554)</b>
Revenue Resource Limit (RRL) received from DoH	24.1	4,324,987	4,174,156
<b>Surplus/(Deficit) against RRL</b>		<b>16,719</b>	<b>602</b>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>			
		2019	2018
	NOTE	£	£
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant & equipment	5.1/8/5.2/8	324	1,101
Net gain/(loss) on revaluation of intangibles	6.1/8/6.2/8	670	3,090
Net gain/(loss) on revaluation of financial instruments	7/8	-	-
Items that may be reclassified to net operating costs:			
Net gain/(loss) on revaluation of investments		-	-
<b>TOTAL COMPREHENSIVE EXPENDITURE</b>			
for the year ended 31 March 2019		<b>(4,307,274)</b>	<b>(4,169,363)</b>

The notes on pages 72 to 103 form part of these accounts.

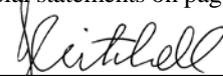
# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## STATEMENT of FINANCIAL POSITION as at 31 March 2019

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

	NOTE	2019		2018	
		£	£	£	£
<b>Non Current Assets</b>					
Property, plant and equipment	5.1/5.2	97,645		35,342	
Intangible assets	6.1/6.2	100,256		103,986	
Financial assets	7	-		-	
Trade and other receivables	12	-		-	
Other current assets	12	-		-	
<b>Total Non Current Assets</b>			197,901		139,328
<b>Current Assets</b>					
Assets classified as held for sale	9	-		-	
Inventories	10	500		500	
Trade and other receivables	12	36,459		61,171	
Other current assets	12	25,727		37,302	
Intangible current assets	12	-		-	
Financial assets	7	-		-	
Cash and cash equivalents	11	22,540		23,679	
<b>Total Current Assets</b>			85,226		122,652
<b>Total Assets</b>			<b>283,127</b>		<b>261,980</b>
<b>Current Liabilities</b>					
Trade and other payables	13	(374,942)		(482,353)	
Other liabilities	13	-		-	
Intangible current liabilities	13	-		-	
Financial liabilities	7	-		-	
Provisions	15	-		-	
<b>Total Current Liabilities</b>			(374,942)		(482,353)
<b>Total assets less current liabilities</b>			<b>(91,815)</b>		<b>(220,373)</b>
<b>Non Current Liabilities</b>					
Provisions	15	-		-	
Other payables > 1 yr	13	-		-	
Financial liabilities	7	-		-	
<b>Total Non Current Liabilities</b>			-		-
<b>Total assets less total liabilities</b>			<b>(91,815)</b>		<b>(220,373)</b>
<b>Taxpayers' Equity and other reserves</b>					
Revaluation reserve		29,942		28,948	
SoCNE Reserve		(121,757)		(249,321)	
<b>Total equity</b>			<b>(91,815)</b>		<b>(220,373)</b>

The financial statements on pages 68 to 71 were approved by the Board on DATE and were signed on its behalf;

Signed  (Chairman)

Date 4 July 2019

Signed  (Chief Executive)

Date 4 July 2019

The notes on pages 72 to 103 form part of these accounts.

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**STATEMENT of CASH FLOWS for the year ended 31 March 2019**

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

	NOTE	2019 £	2018 £
<b>Cashflows from operating activities</b>			
Net surplus after interest/Net operating expenditure		(4,308,268)	(4,173,554)
Adjustments for non cash costs		71,538	74,866
(Increase)/decrease in trade and other receivables		36,287	(21,067)
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant & equipment		-	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to finance leases		-	-
Movements in receivables relating to PFI and other service concession arrangement contracts		-	-
(Increase)/decrease in inventories		-	-
Increase/(decrease) in trade payables		(107,411)	252,572
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant & equipment		-	9,163
Movements in payables relating to the purchase of intangibles		-	-
Movements in payables relating to finance leases		-	-
Movements on payables relating to PFI and other service concession arrangement contracts		-	-
Use of provisions	15	-	-
<b>Net cash inflow/(outflow) from operating activities</b>		<u>(4,307,854)</u>	<u>(3,858,020)</u>
<b>Cashflows from investing activities</b>			
(Purchase of property, plant & equipment)	5	(83,917)	(10,411)
(Purchase of intangible assets)	6	(30,000)	(8,000)
Proceeds of disposal of property, plant & equipment		-	-
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
<b>Net cash outflow from investing activities</b>		<u>(113,917)</u>	<u>(18,411)</u>
<b>Cash flows from financing activities</b>			
Grant in aid		4,420,632	3,876,595
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		-	-
<b>Net financing</b>		<u>4,420,632</u>	<u>3,876,595</u>
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		(1,139)	164
<b>Cash &amp; cash equivalents at the beginning of the period</b>	11	23,679	23,515
<b>Cash &amp; cash equivalents at the end of the period</b>	11	<u>22,540</u>	<u>23,679</u>

The notes on pages 72 to 103 form part of these accounts.

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**STATEMENT OF CHANGES in TAXPAYERS EQUITY for the year ended 31 March 2019**

This statement shows the movement in the year on the different reserves held by NIGALA, analysed into 'Statement of Comprehensive Net Expenditure Reserve' (i.e. those reserves that reflect a contribution from the Department of Health). 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 the NIGALA, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £	Revaluation Reserve £	Taxpayers Equity £
<b>Balance at 31 March 2017</b>		<b>38,638</b>	<b>24,757</b>	<b>63,395</b>
<b>Changes in Taxpayers Equity 2017-18</b>				
Grant from DoH		3,876,595	-	3,876,595
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(4,173,554)	4,191	(4,169,363)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	9,000	-	9,000
<b>Balance at 31 March 2018</b>		<b>(249,321)</b>	<b>28,948</b>	<b>(220,373)</b>
<b>Changes in Taxpayers Equity 2018-19</b>				
Grant from DoH		4,420,632	-	4,420,632
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(4,308,268)	994	(4,307,274)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	15,200	-	15,200
<b>Balance at 31 March 2019</b>		<b>(121,757)</b>	<b>29,942</b>	<b>(91,815)</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**STATEMENT OF ACCOUNTING POLICIES**

**1. Authority**

These accounts have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to the Northern Ireland Guardian Ad Litem Agency (the "NIGALA"). Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the NIGALA for the purpose of giving a true and fair view has been selected. The NIGALA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, unless otherwise stated.

In addition, due to the manner in which the NIGALA is funded, the Statement of Financial Position will show a negative position. In line with the FReM, sponsored entities such as the NIGALA which show total net liabilities, should prepare financial statements on a going concern basis. 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.

**1.1 Accounting convention**

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

**1.2 Currency**

These accounts are presented in UK Pounds sterling.

**1.3 Property, Plant and Equipment**

Property, plant and equipment assets comprise Land, Buildings, Dwellings, 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, the entity;
- 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 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 had 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, ward or unit, 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 these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. 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 five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Arms Length Body (ALB) 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; and
- 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 and 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. 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 estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

## Revaluation Reserve

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

## 1.4 Depreciation

No depreciation is provided on freehold land since land has 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 the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the NIGALA 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
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

## 1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, 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-out and charged to operating expenses.

The overall useful life of the NIGALA's buildings takes 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 includes any of the following held - 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 the NIGALA's 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, the NIGALA; 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 fair value.

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

## **1.8 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

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

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

## **1.9 Inventories**

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

## **1.10 Income**

Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the 5 essential criteria within the scope of IFRS 15 are met in order to define income as a contract. Income relates directly to the activities of the NIGALA and is recognised when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established

In year of initial application, the introduction of IFRS 15 has not impacted on the timing of satisfying performance obligations of contracts in existence therefore the transaction price determined has not changed as a result of its introduction. The current impact of its introduction has resulted in reclassification of income based on consideration of whether there is a written, oral or implied contract in existence. Note 4 Income provides initial application disclosures in line with HM Treasury application guidance on transition to IFRS 15.

## **Grant in aid**

Funding received from other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

### **1.11 Investments**

The NIGALA 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 is 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.

#### **The NIGALA 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 on interest on the remaining balance of the liability. Finance charges are recognised in calculating the NIGALA's surplus/deficit.

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. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

#### **The NIGALA as lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NIGALA's net investment in the leases. Finance lease income is allocated to accounting periods so as

to reflect a constant periodic rate of return on the NIGALA's net investment outstanding in respect of the leases.

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**

The NIGALA has had no PFI transactions during the year.

### **1.16 Financial instruments**

- Financial assets

Financial assets are recognised on the balance sheet when the NIGALA 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 derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the HSC Body's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument.

- Financial liabilities

Financial liabilities are recognised on the balance sheet when the NIGALA 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. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within the NIGALA in creating risk than would apply to a non public sector body of a similar size, therefore the NIGALA is not exposed to the degree of financial risk faced by business entities.

NIGALA have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the

NIGALA in undertaking activities. Therefore the NIGALA is exposed to little credit, liquidity or market risk.

- Currency risk

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

- Interest rate risk

The NIGALA has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the NIGALA's income comes from contracts with other public sector bodies, the NIGALA has low exposure to credit risk.

- Liquidity risk

Since the NIGALA receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

## **1.17 Provisions**

The NIGALA had no provisions in 2018-19 or 2017-18.

## **1.18 Contingencies**

In addition to contingent liabilities disclosed in accordance with IAS 37, the NIGALA discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

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

The discount rate which courts in England and Wales must take into account when awarding compensation for future financial losses in a lump sum in personal injury cases changed to -0.75% in March 2017. The Government subsequently legislated to change how the rate in England and Wales is set and the first review of the rate in that jurisdiction under the new legal framework introduced by the Civil Liability Act 2018 is being carried out. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and the Department of Finance). Secondary legislation to change the discount rate for Northern Ireland under the current legal framework has not been taken forward in the absence of a Minister, although the Department of Justice is keeping the rate under review in the context of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and having regard to ongoing legislative developments in the rest of

the UK. In these circumstances, it has not been possible at this time to quantify the potential impact on [HSC body] of any change in the discount rate. Changing the legal framework for setting the rate in Northern Ireland would require primary legislation.

Under IAS 37, the NIGALA 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 the ALB, 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 the NIGALA. A contingent asset is disclosed where an inflow of economic benefits is probable.

## **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. This cost has been determined using individual's salary costs applied to their unused leave balances determined from a report of the unused annual leave balance as at 31 March 2019. [Untaken flexi leave is estimated to be immaterial to the NIGALA and has not been included].

### **Retirement benefit costs**

Past and present employees are covered by the provisions of the HSC Superannuation Scheme. The NIGALA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the NIGALA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The NIGALA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

The costs of early retirements are met by the NIGALA and charged to the Statement of Comprehensive Net Expenditure at the time the NIGALA commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2018-19 accounts.

## **1.20 Reserves**

### **Statement of Comprehensive Net Expenditure Reserve**

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

### **Revaluation Reserve**

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

## **1.21 Value Added Tax**

Where output VAT is charged or input VAT is recoverable, the 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**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NIGALA has no beneficial interest in them. Details of third party assets are given in Note 23 to the accounts.

## **1.23 Government Grants**

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

## **1.24 Losses and Special Payments**

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health 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 HSC bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

## **1.25 Accounting Standards that have been issued but have not yet been adopted**

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

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

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out 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.

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

## **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT**

The core business and strategic direction of the Northern Ireland Guardian Ad Litem Agency is to act as a 'voice' for children who are subjects of public law and adoption proceedings before the courts in Northern Ireland.

The Agency Board acts as the Chief Operating Decision Maker and receives financial information on the Agency as a whole and makes decisions on this basis. Hence, it is appropriate that the Agency reports on a single operational segment basis.

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

#### NOTE 3 OPERATING EXPENSES

##### 3 Operating Expenses are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs <sup>1</sup> :		
Wages and Salaries	2,627,176	2,608,875
Social security costs	281,022	278,002
Other pension costs	404,279	409,755
Supplies and services- General	19,852	11,512
Establishment	252,927	260,147
Premises	202,888	202,541
Miscellaneous expenditure	5,155	2,690
Fees- Self Employed Guardians	377,854	299,648
Recharges from other HSC organisations	140,414	130,703
<b>Total Operating Expenses</b>	<b>4,311,567</b>	<b>4,203,873</b>
<b>Non cash items</b>		
Depreciation	21,938	31,670
Amortisation	34,400	33,781
Loss on disposal of property, plant & equipment (including land)	-	415
Auditors remuneration	15,200	9,000
<b>Total non cash items</b>	<b>71,538</b>	<b>74,866</b>
<b>Total</b>	<b>4,383,105</b>	<b>4,278,739</b>

<sup>1</sup> Further detailed analysis of staff costs is located in the Staff Report on page 48 within the Accountability Report.

During the year the NIGALA purchased no non audit services from its external auditor (NIAO) (2018-19: £Nil).

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 4 INCOME

#### 4.1 Revenue from Contracts with Customers

The NIGALA had no revenue from contracts with customers in 2018-19 and 2017-18.

#### 4.2 Other Operating Income

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other income from non-patient services	24	29,935
Seconded staff	74,813	75,250
<b>TOTAL INCOME</b>	<b>74,837</b>	<b>105,185</b>

#### 4.3 Deferred income

The NIGALA had no income released from conditional grants in 2018-19 and 2017-18.

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 5.1 Property, plant & equipment - year ended 31 March 2019**

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2018	-	544,924	-	-	43,340	-	159,191	8,425	755,880
Indexation	-	15,820	-	-	-	-	-	130	15,950
Additions	-	-	-	-	-	-	83,917	-	83,917
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	(429,976)	-	-	(43,340)	-	(69,074)	-	(542,390)
At 31 March 2019	-	<b>130,768</b>	-	-	-	-	<b>174,034</b>	<b>8,555</b>	<b>313,357</b>

**Depreciation**

At 1 April 2018	-	530,373	-	-	43,340	-	142,010	4,815	720,538
Indexation	-	15,538	-	-	-	-	-	88	15,626
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	(429,976)	-	-	(43,340)	-	(69,074)	-	(542,390)
Provided during the year	-	6,480	-	-	-	-	14,250	1,208	21,938
At 31 March 2019	-	<b>122,415</b>	-	-	-	-	<b>87,186</b>	<b>6,111</b>	<b>215,712</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 5.1 (continued) Property, plant & equipment- year ended 31 March 2019**

	<b>Land</b>	<b>Buildings (excluding dwellings)</b>	<b>Dwellings</b>	<b>Assets under Construction</b>	<b>Plant and Machinery (Equipment)</b>	<b>Transport Equipment</b>	<b>Information Technology (IT)</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£	£	£	£	£	£	£
<b>Carrying Amount</b>									
At 31 March 2019	-	8,353	-	-	-	-	86,848	2,444	97,645
At 31 March 2018	-	14,551	-	-	-	-	17,181	3,610	35,342
<b>Asset financing</b>									
Owned	-	8,353	-	-	-	-	86,848	2,444	97,645
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>									
At 31 March 2019	-	8,353	-	-	-	-	86,848	2,444	97,645

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

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2017: £Nil).

The fair value of assets funded from the following sources during the year was:

	<b>2019</b>	<b>2018</b>
	£	£
Donations	-	-
Government Grant	-	-
Lottery funding	-	-

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
**NOTE 5.2 Property, plant & equipment - year ended 31 March 2018**

	<b>Land</b>	<b>Buildings (excluding dwellings)</b>	<b>Dwellings</b>	<b>Assets under Construction</b>	<b>Plant and Machinery (Equipment)</b>	<b>Transport Equipment</b>	<b>Information Technology (IT)</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£	£	£	£	£	£	£
<b>Cost or Valuation</b>									
At 1 April 2017	-	506,252	-	-	43,340	-	170,633	8,528	728,753
Indexation	-	38,672	-	-	-	-	-	(103)	38,569
Additions	-	-	-	-	-	-	1,248	-	1,248
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(12,690)	-	(12,690)
At 31 March 2018	-	<b>544,924</b>	-	-	<b>43,340</b>	-	<b>159,191</b>	<b>8,425</b>	<b>755,880</b>

**Depreciation**

At 1 April 2017	-	486,599	-	-	43,340	-	130,081	3,655	663,675
Indexation	-	37,523	-	-	-	-	-	(55)	37,468
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments (indexn)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(12,275)	-	(12,275)
Provided during the year	-	6,251	-	-	-	-	24,204	1,215	31,670
At 31 March 2018	-	<b>530,373</b>	-	-	<b>43,340</b>	-	<b>142,010</b>	<b>4,815</b>	<b>720,538</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 5.2 (continued) Property, plant & equipment- year ended 31 March 2018**

	<b>Land</b> £	<b>Buildings (excluding dwellings)</b> £	<b>Dwellings</b> £	<b>Assets under Construction</b> £	<b>Plant and Machinery (Equipment)</b> £	<b>Transport Equipment</b> £	<b>Information Technology (IT)</b> £	<b>Furniture and Fittings</b> £	<b>Total</b> £
<b>Carrying Amount</b> At 31 March 2018	-	14,551	-	-	-	-	17,181	3,610	35,342
At 31 March 2017	-	19,653	-	-	-	-	40,552	4,873	65,078
<b>Asset financing</b>									
Owned	-	14,551	-	-	-	-	17,181	3,610	35,342
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 31 March 2018	-	14,551	-	-	-	-	17,181	3,610	35,342
<b>Asset financing</b>									
Owned	-	19,653	-	-	-	-	40,552	4,873	65,078
Finance leased	-	-	-	-	-	-	-	-	-
On SOFP PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 1 April 2017	-	19,653	-	-	-	-	40,552	4,873	65,078

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**  
**NOTE 6.1 Intangible assets - year ended 31 March 2019**

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Cost or Valuation</b>									
At 1 April 2018	1,895	472,462	-	-	-	-	-	-	474,357
Indexation	-	1,741	-	-	-	-	-	-	1,741
Additions	-	-	-	-	-	-	-	30,000	30,000
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	(1,895)	(276,589)	-	-	-	-	-	-	(278,484)
At 31 March 2019	-	<b>197,614</b>	-	-	-	-	-	<b>30,000</b>	<b>227,614</b>

**Amortisation**

At 1 April 2018	1,895	368,476	-	-	-	-	-	-	370,371
Indexation	-	1,071	-	-	-	-	-	-	1,071
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	(1,895)	(276,589)	-	-	-	-	-	-	(278,484)
Provided during the year	-	34,400	-	-	-	-	-	-	34,400
At 31 March 2019	-	<b>127,358</b>	-	-	-	-	-	-	<b>127,358</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 6.1 (continued) Intangible assets - year ended 31 March 2019**

	<b>Software Licenses</b> £	<b>Information Technology</b> £	<b>Websites</b> £	<b>Development Expenditure</b> £	<b>Licences, Trademarks &amp; Artistic Originals</b> £	<b>Patents</b> £	<b>Goodwill</b> £	<b>Payments on Account &amp; Assets under Construction</b> £	<b>Total</b> £
<b>Carrying Amount</b>									
At 31 March 2019	-	70,256	-	-	-	-	-	30,000	100,256
At 31 March 2018	-	103,986	-	-	-	-	-	-	103,986
<b>Asset financing</b>									
Owned	-	70,256	-	-	-	-	-	30,000	100,256
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b>									
At 31 March 2019	-	70,256	-	-	-	-	-	30,000	100,256

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

The fair value of assets funded from the following sources during the year was:

	<b>2019</b>	<b>2018</b>
	£	£
Donations	-	-
Government Grant	-	-
Lottery funding	-	-

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

#### NOTE 6.2 Intangible assets - year ended 31 March 2018

	Software Licenses £	Information Technology £	Websites £	Development Expenditure £	Licences, Trademarks & Artistic Originals £	Patents £	Goodwill £	Payments on Account & Assets under Construction £	Total £
<b>Cost or Valuation</b>									
At 1 April 2017	1,895	458,866	-	-	-	-	-	-	460,761
Indexation	-	5,596	-	-	-	-	-	-	5,596
Additions	-	-	-	-	-	-	-	8,000	8,000
Donations / Government grant / Lottery Funding	-	-	-	-	-	-	-	-	-
Reclassifications	-	8,000	-	-	-	-	-	(8,000)	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2018	<b>1,895</b>	<b>472,462</b>	-	-	-	-	-	-	<b>474,357</b>
<b>Amortisation</b>									
At 1 April 2017	1,895	332,189	-	-	-	-	-	-	334,084
Indexation	-	2,506	-	-	-	-	-	-	2,506
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	-	-	-	-	-	-	-	-
Impairment charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Provided during the year	-	33,781	-	-	-	-	-	-	33,781
At 31 March 2018	<b>1,895</b>	<b>368,476</b>	-	-	-	-	-	-	<b>370,371</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 6.2 (continued) Intangible assets - year ended 31 March 2018**

	<b>Software Licenses</b>	<b>Information Technology</b>	<b>Websites</b>	<b>Development Expenditure</b>	<b>Licences, Trademarks &amp; Artistic Originals</b>	<b>Patents</b>	<b>Goodwill</b>	<b>Payments on Account &amp; Assets under Construction</b>	<b>Total</b>
	£	£	£	£	£	£	£	£	£
<b>Carrying Amount</b> At 31 March 2018	-	<b>103,986</b>	-	-	-	-	-	-	<b>103,986</b>
At 1 April 2017	-	<b>126,677</b>	-	-	-	-	-	-	<b>126,677</b>

**Asset financing**

Owned  
Finance leased  
On B/S (SoFP) PFI and other service concession arrangements contracts

Owned	-	103,986	-	-	-	-	-	-	103,986
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 31 March 2018	-	<b>103,986</b>	-	-	-	-	-	-	<b>103,986</b>

**Asset financing**

Owned  
Finance leased  
On B/S (SoFP) PFI and other service concession arrangements contracts

Owned	-	126,677	-	-	-	-	-	-	126,677
Finance leased	-	-	-	-	-	-	-	-	-
On B/S (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-	-
<b>Carrying Amount</b> At 1 April 2017	-	<b>126,677</b>	-	-	-	-	-	-	<b>126,677</b>

## **NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **NOTE 7 FINANCIAL INSTRUMENTS**

As the cash requirements of NIGALA are met through Grant-in-Aid provided by the Department of Health, 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 the NIGALA's expected purchase and usage requirements and the NIGALA is therefore exposed to little credit, liquidity or market risk.

#### **NOTE 8 IMPAIRMENTS**

The NIGALA had no impairments in 2018-19 or 2017-18.

#### **NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE**

The NIGALA did not hold any assets classified as held for sale in 2018-19 or 2017-18.

#### **NOTE 10 INVENTORIES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Office supplies	500	500
<b>Total</b>	<b>500</b>	<b>500</b>

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 11 CASH AND CASH EQUIVALENTS

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance at 1 <sup>st</sup> April	23,679	23,515
Net change in cash and cash equivalents	(1,139)	164
<b>Balance at 31<sup>st</sup> March</b>	<b>22,540</b>	<b>23,679</b>

#### The following balances at 31 March were held at

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Commercial Banks and cash in hand	22,540	23,679
<b>Balance at 31<sup>st</sup> March</b>	<b>22,540</b>	<b>23,679</b>

The bank account is operated by Business Services Organisation (BSO) on behalf of the NIGALA. The account is in the legal name of the BSO.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2019	2018
	£	£
<b>Amounts falling due within one year</b>		
Trade receivables	12,469	6,787
Deposits and advances	-	-
VAT receivable	13,896	10,819
Other receivables – not relating to fixed assets	10,094	43,565
Other receivables – relating to property, plant and equipment	-	-
Other receivables – relating to intangibles	-	-
<b>Trade and other receivables</b>	<u>36,459</u>	<u>61,171</u>
Prepayments	25,727	37,302
Accrued income	-	-
Current part of PFI and other service concession arrangements prepayment	-	-
<b>Other current assets</b>	<u>25,727</u>	<u>37,302</u>
<b>Amounts falling due after more than one year</b>		
Trade receivables	-	-
Deposits and advances	-	-
Other receivables	-	-
<b>Trade and other receivables</b>	<u>-</u>	<u>-</u>
Prepayments and accrued income	-	-
<b>Other current assets falling due after more than one year</b>	<u>-</u>	<u>-</u>
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<u><u>36,459</u></u>	<u><u>61,171</u></u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<u><u>25,727</u></u>	<u><u>37,302</u></u>
<b>TOTAL INTANGIBLE CURRENT ASSETS</b>	<u>-</u>	<u>-</u>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<u><u>62,186</u></u>	<u><u>98,473</u></u>

The balances are net of a provision for bad debts of £Nil (2017/18: £Nil).

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2019	2018
	£	£
<b>Amounts falling due within one year</b>		
Other taxation and social security	127,567	20
VAT payable	-	-
Bank overdraft	-	-
Trade capital payables – property, plant and equipment	-	-
Trade capital payables – intangibles	-	-
Trade revenue payables	19,340	3,964
Payroll payables	615	-
Clinical Negligence payables	-	-
RPA payables	-	-
BSO payables	211	1,851
Other payables	-	216,243
Accruals	227,209	260,275
Accruals– relating to property, plant and equipment	-	-
Accruals – relating to intangibles	-	-
Deferred Income	-	-
<b>Trade and other payables</b>	<b>374,942</b>	<b>482,353</b>
Current part of finance leases	-	-
Current part of long term loans	-	-
Current part of imputed finance lease element of PFI and other service concession arrangements contracts	-	-
<b>Other current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total payables falling due within one year</b>	<b>374,942</b>	<b>482,353</b>
<b>Amounts falling due after more than one year</b>		
Other payables, accruals and deferred income	-	-
Trade and other payables	-	-
Imputed finance lease element of PFI and other service concession arrangements contracts	-	-
Long term loans	-	-
<b>Total non current other payables</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>374,942</b>	<b>482,353</b>

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 14 PROMPT PAYMENT POLICY

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

The Department requires that NIGALA pay their non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The NIGALA's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	<b>2019 Number</b>	<b>2019 Value £</b>	<b>2018 Number</b>	<b>2018 Value £</b>
Total bills paid	813	1,820,922	742	1,699,946
Total bills paid within 30 day target	793	1,800,547	727	1,633,425
<b>% of bills paid within 30 day target</b>	<b>98%</b>	<b>99%</b>	<b>98%</b>	<b>96%</b>
Total bills paid within 10 day target	723	1,599,609	626	1,485,865
<b>% of bills paid within 10 day target</b>	<b>89%</b>	<b>88%</b>	<b>84%</b>	<b>87%</b>

#### 14.2 The Late Payment of Commercial Debts Regulations 2002

	<b>£</b>
Amount of compensation paid for payment(s) being late	-
Amount of interest paid for payment(s) being late	-
<b>Total</b>	<b>-</b>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES**

The NIGALA had no provisions for liabilities and charges at either 31 March 2019 or 31 March 2018.

**NOTE 16 CAPITAL COMMITMENTS**

The NIGALA had no capital commitments at either 31 March 2019 or 31 March 2018.

**NOTE 17 COMMITMENTS UNDER LEASES**

**17.1 Operating Leases**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Obligations under operating leases comprise</b>		
<b>Buildings</b>		
Not later than one year	55,550	74,800
Later than one year but not later than five years	5,683	61,233
Later than five years	-	-
	<b>61,233</b>	<b>136,033</b>

**17.2 Finance Leases**

The NIGALA had no finance leases in 2018-19 or 2017-18.

**17.3 Operating Leases**

The NIGALA did not issue any operating leases in 2018-19 or 2017-18.

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**

**18.1 Off balance sheet PFI and other service concession arrangement schemes.**

The NIGALA had no commitments under PFI and other concession arrangement contracts at 31 March 2019 or 31 March 2018.

**18.2 On balance sheet (SoFP) PFI Schemes**

The NIGALA has no on balance sheet (SoFP) PFI and other service concession arrangements schemes at 31 March 2019 or 31 March 2018.

**NOTE 19 OTHER FINANCIAL COMMITMENTS**

The NIGALA did not have any other financial commitments at 31 March 2019 or 31 March 2018.

**NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

The NIGALA did not have any financial guarantees, indemnities and letters of comfort at 31 March 2019 or 31 March 2018.

**NOTE 21 CONTINGENT LIABILITIES**

The NIGALA did not have any quantifiable contingent liabilities as at 31 March 2019 or 31 March 2018.

There is a challenge to the status of the Self Employed Guardians. NIGALA considers the criteria for a provision has not been met in that legal and constructive obligation has not been met and also any potential payment of liability is not probable.

**NOTE 22 RELATED PARTY TRANSACTIONS**

The NIGALA is an arms length body of the Department of Health, and as such the Department is a related party with which the NIGALA has had various material transactions during the year.

In addition there were material transactions throughout the year with the Business Services Organisation who are a related party by virtue of being an arms length body with the Department of Health.

During the year, none of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the NIGALA.

**NOTE 23 THIRD PARTY ASSETS**

The NIGALA held no assets at either 31 March 2019 or 31 March 2018 belonging to third parties.

# NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTE 24 Financial Performance Targets

#### 24.1 Revenue Resource Limit

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

The Revenue Resource Limit for NIGALA is calculated as follows:

	<b>2019</b>	<b>2018</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
DoH (excludes non cash)	4,253,449	4,099,290
Other Government Department	-	-
Non cash RRL (from DoH)	71,538	74,866
<b>Total agreed RRL</b>	<b>4,324,987</b>	<b>4,174,156</b>
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	-	-
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<b>4,324,987</b>	<b>4,174,156</b>

#### 24.2 Capital Resource Limit

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gross Capital Expenditure	113,917	9,247
(Receipts from sales of fixed assets)	-	-
Net capital expenditure	113,917	9,247
Capital Resource Limit	114,500	9,247
Overspend/(Underspend) against CRL	<b>(583)</b>	-

## NORTHERN IRELAND GUARDIAN AD LITEM AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

#### 24.3 Financial Performance Targets

The NIGALA is required to ensure that it breaks even on an annual basis by containing its surplus to within £20,000.

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Net Expenditure	(4,308,268)	(4,173,554)
RRL	4,324,987	4,174,156
Surplus/(Deficit) against RRL	16,719	602
Break Even cumulative position (opening)	46,403	45,801
Break Even Cumulative position (closing)	<u>63,122</u>	<u>46,403</u>

#### Materiality Test:

	<b>2018-19</b>	<b>2017-18</b>
	<b>%</b>	<b>%</b>
Break Even in year position as % of RRL	<u>0.39%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL	<u>1.46%</u>	<u>1.11%</u>

**NORTHERN IRELAND GUARDIAN AD LITEM AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 25 EVENTS AFTER THE REPORTING PERIOD**

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

**DATE OF AUTHORISATION FOR ISSUE**

The Accounting Officer authorised these financial statements for issue on 11 July 2019.



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