



Forensic Science Northern Ireland

Annual Report and Accounts
For the year ended 31 March 2020

Forensic Science Northern Ireland

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under section 11 (3)(c) of the Government Resources
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by the Department of Justice*

on

26 October 2020

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PERFORMANCE REPORT

OVERVIEW

The purpose of the overview is to provide sufficient information to ensure that the remit and purpose of the Agency is understood. The overview includes:

- A statement from the Chief Executive providing their perspective on the performance of the Agency over the period;
- A statement of the purpose, activities and business model of the Agency;
- The key issues and risks that could affect the Agency in delivering its objectives; and,
- A performance summary.

Chief Executive's Statement

I am pleased to present my first Annual Report and Accounts for Forensic Science Northern Ireland (FSNI) for the year ending 31 March 2020 following my appointment as Chief Executive in September 2019.

Firstly I would like to wish my predecessor, Mr Stan Brown, a long, happy and healthy retirement after almost 13 years dedicated service to FSNI and to recognise his contribution to the provision and development of forensic science services in Northern Ireland and beyond.

The Agency continued to deliver a very high standard of service to its customers throughout the year which is particularly commendable due to the sustained high demand for services across most forensic specialisms and high staff turnover, predominantly at Assistant Scientific Officer grade.

The introduction of Police and Criminal Evidence (PACE) submissions, which meant that new subject DNA Database samples would be taken to evidential standard instead of their previous status of being for intelligence use only, increased overall item submissions into the Laboratory by 56% from the previous year.

Demand for drugs products continues to rise with an increase of 74% from 2017-18 and the Agency has been increasing its capacity to deal with this demand.

This year the Agency transitioned to and was granted accreditation to the ISO/IEC 17025:2017 standard by the United Kingdom Accreditation Service (UKAS). This also included assessment of four extensions to the scope of the Agency's accreditation to include the following new methods:

- Trace Explosives – extended range of explosives Microchemistry examinations;
- Toxicology Screen (new extraction process);
- Mobile Phones – Physical capture and preservation of data from mobile phone handsets and memory cards; and,
- Indanediones – Fingerprint Visualisation technique.

Funding remained a key issue during the year and FSNI partially mitigated funding pressures by generating additional revenues through international work. I am pleased to report that FSNI has secured additional funding for the next financial year. This is welcome news and means that the Agency can now progress recruitment required to meet increased levels of demand.

FSNI has continued to play a key role in the delivery of the Northern Ireland Forensic Services Strategy through its contribution to the delivery of various projects and associated workstreams. Good progress has been made during the year including mapping of a number of key end-to-end forensic processes to identify potential areas for improvement and progress on the development of a Forensic Value Model in conjunction with the University of Ulster. As this work moves to complete in the year ahead, work on a new Forensic Services Strategy has commenced.

Continuous improvement and innovation is essential in any high performing business, including forensics, and despite casework demand and resource pressures the Agency progressed a number of innovation projects. These included a reduction in the time taken to quantify drugs from three days to one day alongside a reduction in equipment failure rate of over 80% in this area and the introduction of new equipment to consolidate fourteen drug screening processes into one. The DNA unit also increased its capacity by over 80% through new instrumentation, process re-engineering and redistribution of duties to increase scientific capacity at the bench.

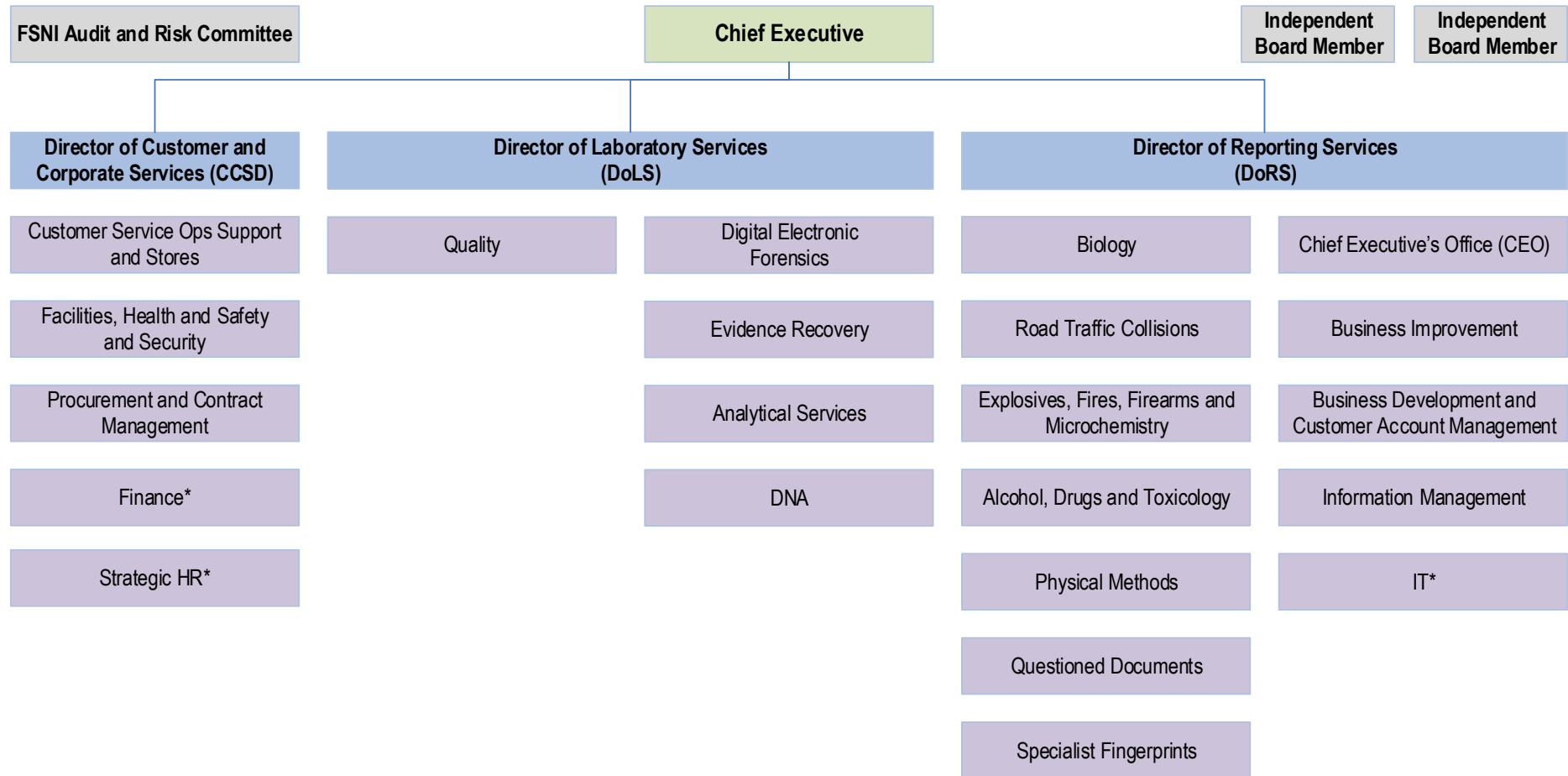
The first phase of the 'Rapid Visualisation of Bodily Fluids on various substrates in a forensic environment' has completed. This project is being undertaken through the Small Business Research Initiative (SBRI) Challenge Fund and, funding has been secured to progress, Phase 2 next year. A Scientific High-throughput and Unified Toolkit for Trace analysis by forensic Laboratories in Europe (SHUTTLE) 2020 project has now launched with FSNI acting as a sub-contractor to Clyde HSI – Photonics project. This project aims to develop a toolkit which will facilitate the micro-traces analysis collected in crime scenes.

As we move into the new financial year, we are already facing unprecedented challenges from the Covid-19 pandemic. As a front-line service delivery Agency, and the main forensic service provider for Northern Ireland, our first priority will be the delivery of our essential services to our customers.

Business Improvement is also a key theme in our 2020-21 Business Plan with measures focusing on the development of three to five year improvement plans across many of our business areas and functions. We will continue to work in partnership with our customers and stakeholders within the Justice System as well as enhancing co-operation with forensic service providers in other jurisdictions.

In my first six months as Chief Executive, I have been extremely impressed by the dedication and commitment of all FSNI staff who continue to provide high quality services and I would like to express my thanks for the warm welcome I have received and my sincere appreciation for their performance and achievements during the period covered by this report.

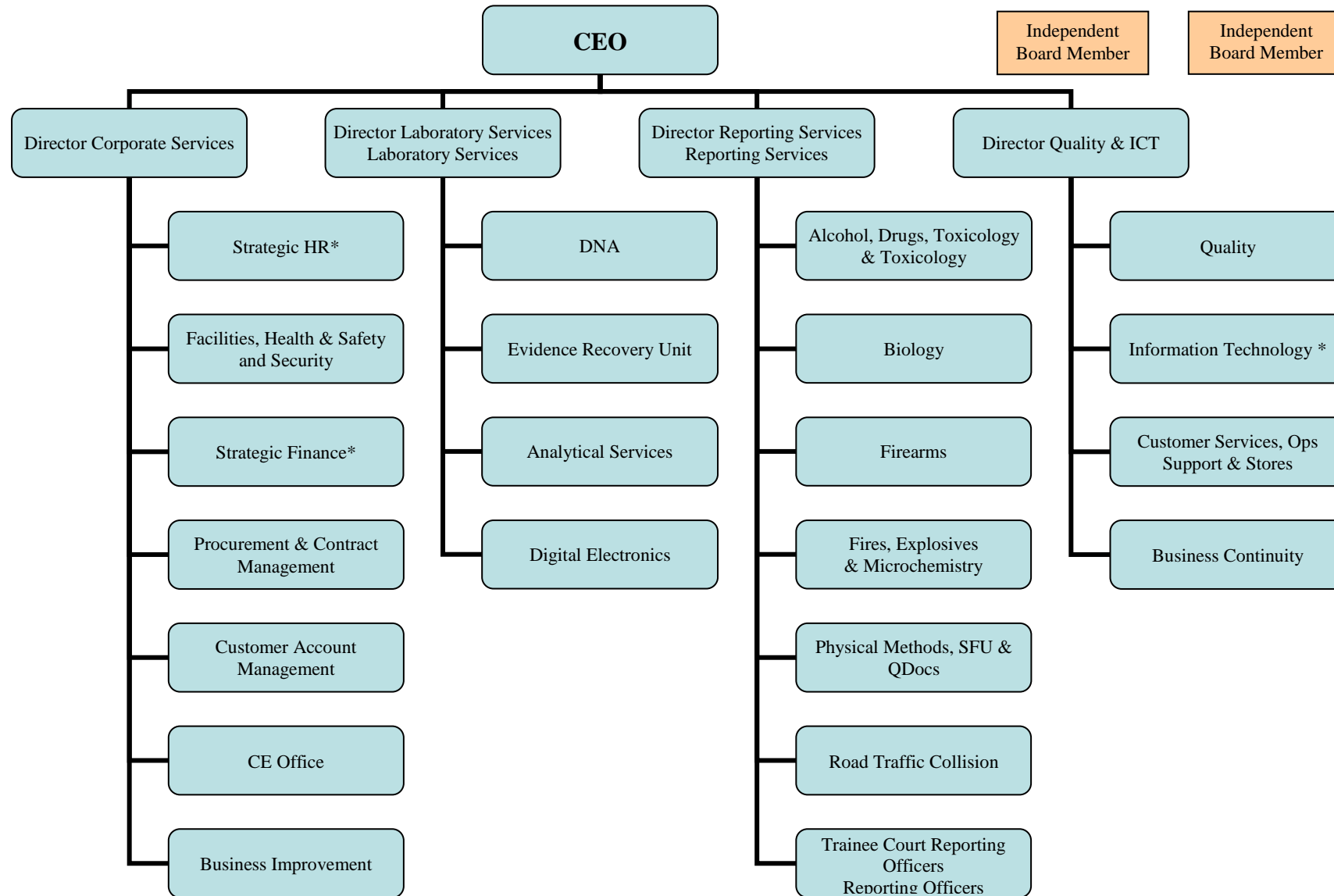
FORENSIC SCIENCE NORTHERN IRELAND: STRUCTURE 2019-20



* delivered through shared service facility

(With effect from 4 November 2019)

(In effect from 1 April 2019 to 3 November 2019)



*shared services

Purpose and activities of the organisation

FSNI is an Executive Agency of the Department of Justice (DoJ). Its role is to provide objective scientific advice and support to enhance the delivery of justice.

Agency vision

“To be a World Leading provider of integrated forensic science services.”

The Agency's vision and mission statements reflect the emphasis on the organisation being demonstrably business-like and responsive to the needs of customers and stakeholders in the development and delivery of a wide range of high quality, modern, efficient, integrated and affordable specialist forensic services. The Agency's experience in integrating the recovery analysis and interpretation of diverse evidence types from individual exhibits is one of its key differentiating strengths and permits the optimal exploitation of evidential opportunities – a capability of particular importance in serious crime, which constitutes the bulk of FSNI's work.

Agency mission

“Scientific Expertise delivered in partnership supporting justice for all.”

This mission is realised through:

- A scientific support service for the Police Service of Northern Ireland (PSNI), the State Pathologist's Department (SPD), the Office of the Police Ombudsman for Northern Ireland (OPONI), and Her Majesty's Revenue and Customs (HMRC);
- Scientific advice for the Public Prosecution Service (PPS) and the legal profession; and,
- Objective expert testimony to the Courts.

The Agency's ethos is a scientific one, meaning that the objective deductions from the evidence are rigorously arrived at with neutrality as to the conviction or acquittal of defendants and are provided to the Courts as independent expert witness.

Strategies and objectives

In line with other public bodies, the Agency used a Strategy Map and Outcome Focused Business Planning methodology for its planning, monitoring and reporting. The strategy map for 2019–20 is shown on the next page.

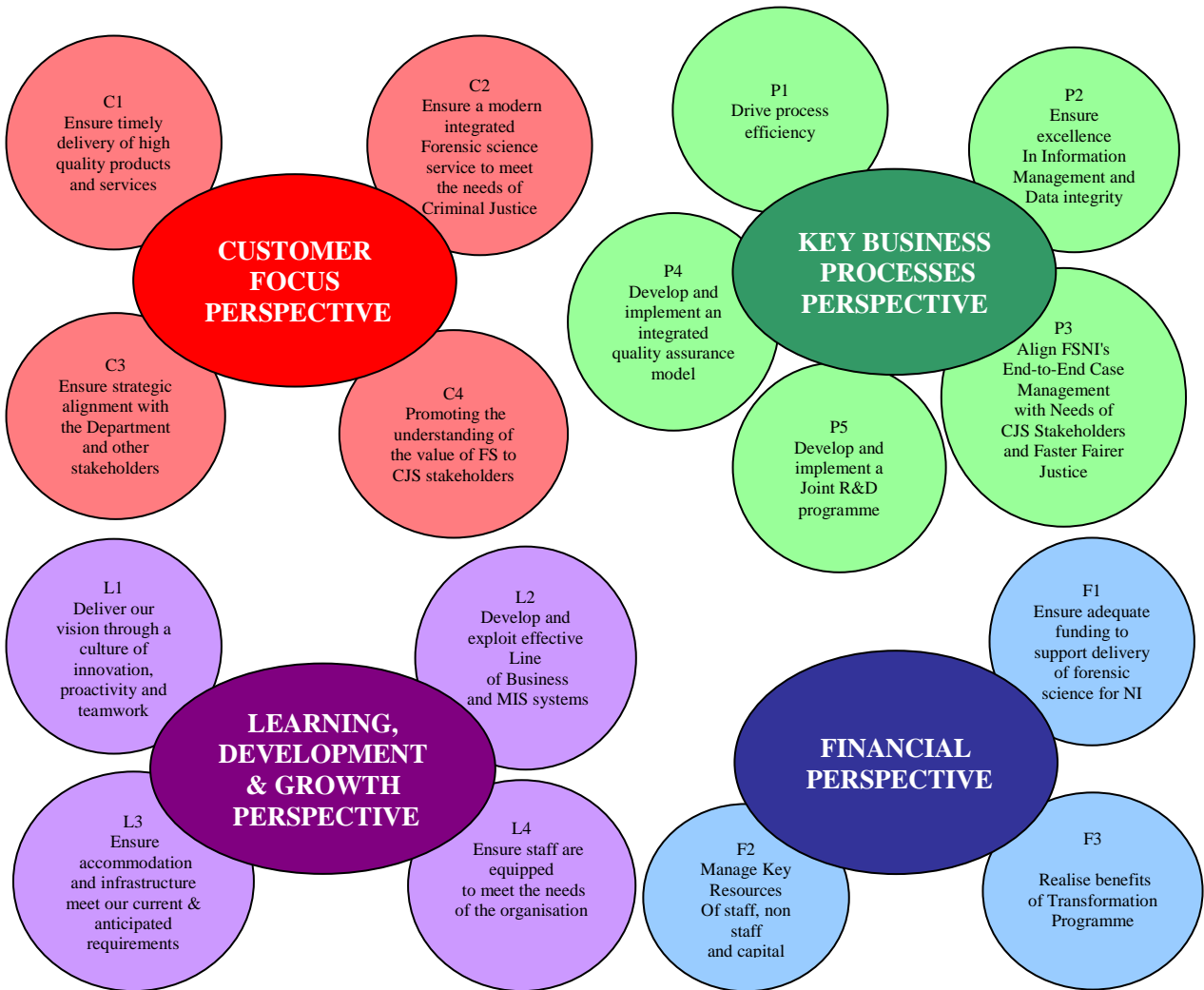
Strategy Map 2018-21

Vision: To be a World-Leading provider of integrated forensic science services



Mission: Scientific Expertise delivered in partnership, supporting justice for all

Corporate Goal: Working Together, Serving Justice



Description of business

FSNI provides a wide range of services, under Memorandums of Understanding (MoU's) with criminal justice organisations, including the PSNI and SPD. FSNI also provides services to other government bodies such as OPONI, PPS and HMRC as well as private customers and solicitors.

The majority of the work involves the recovery, analysis and evaluation of evidence submitted in connection with a range of crimes, from murders, sexual and violent offences, firearms, explosives, arson and assault, through to more routine cases such as fraud, burglaries and car crimes. The Agency also investigates road traffic collisions and provides analysis for cases involving the possession and/or supply of drugs as well as toxicological analysis for the SPD, to help determine the cause of death.

The recovery and analysis of DNA from exhibits is a central activity, as DNA information is routinely used to assist in investigations (e.g. in eliminating some potential suspects and linking others to incidents) and is closely integrated with the maintenance of the Northern Ireland DNA Database on behalf of the PSNI.

FSNI employs a wide range of forensic disciplines, including DNA; latent fingerprints; explosives; microchemistry; firearms; fires; physical methods; biology; alcohol, drugs and toxicology; road traffic collisions; questioned documents and digital electronics.

FSNI provides an on-call service to attend crime or fatal collision scenes and provide support to the PSNI in the recovery of evidence. FSNI's Reporting Officers advise the PPS on the meaning of scientific evidence and provide objective Expert Witness to the Courts in any subsequent proceedings and prosecution.

The Agency is accredited by the United Kingdom Accreditation Service (UKAS) to the ISO/IEC 17025:2017 standard. The current scopes of accreditation for testing and calibration can be found on the UKAS website: –

<https://search.ukas.com/#/tabbed/search?q=forensic%20science%20northern%20ireland&ati=1>.

Going concern

These Accounts have been prepared on a going concern basis.

Principal risks and uncertainties

The main risks to the Agency's business objectives are:

- Insufficient Forensic Services Strategy and Corporate Governance resulting in significant reputational damage including the loss of income as a result of customers taking their business elsewhere;
- Insufficient staff resources to deliver critical operational and strategic business activities to meet customer demand and enable FSNI to fulfil its obligations in respect of the Northern Ireland Legacy inquests and initiatives;
- Insufficient funding provision to meet financial obligations and the inability to sufficiently mitigate against resource pressures in current and future years will result in the loss of specialist services and inadequate resource levels available to meet expected turnaround times and performance targets. If income generation plans fail this projected deficit will increase;
- Failure to maintain accreditation against the ISO17025:2017 standard will result in reputational damage; customers could choose to take their business elsewhere; loss of income and also challenge in court due to lack of accreditation and should FSNI suffer a significant quality failure;
- The lack of resources available to undertake continuous professional development; assess opportunities provided by emerging technologies (e.g. digitisation and Artificial Intelligence) and failure to invest in these opportunities or to innovate will impact on FSNI's ability to meet the changing needs/expectations of customers and to modernise to capture further efficiencies and drive process improvements and effectiveness;
- Conflicting work pressures resulting in non-compliance with Health and Safety (H&S) related Legislation and best practice and the failure of H&S controls, procedures, equipment or facilities may result in injury or death of staff, contractors or visitors; and,
- Disruption to procurement of business critical goods and services provided from European Union (EU) countries and the impact on current engagement and technical relationships with other forensic service providers including any associated EU Legislative issues post withdrawal from the EU.

FSNI managed these risks through well-established governance structures and by putting mitigations in place as early as possible to minimise the risk. Each risk was pro-actively managed with a view to minimising impact and this made a significant contribution to FSNI's ability to meet the majority of objectives set for this year.

Performance summary

Most of FSNI's scientific specialisms experienced a sustained high level of demand (exceeding Memorandum of Understanding (MoU) levels) during the year, a significant proportion of which was classified as high priority or urgent. A number of major serious crime cases were submitted to the lab, consuming substantial resource and requiring complex logistics. Biology, a discipline often involved in serious crime investigations, was extremely busy, as was Toxicology and Drugs (which has expanded its capacity to meet demand) and Road Traffic Collisions, where the capacity to attend all fatal road accidents was under stress.

The external delay in security clearance of replacement staff gave rise to a backlog in the first half of the year, especially in Evidence Recovery, but as vacancies subsequently were filled, this backlog was systematically addressed in line with the overall case prioritisation mechanisms. The turnover of staff, particularly at Assistant Scientific Officer (ASO) grade, has necessitated a further ASO Recruitment Competition to be launched by NICS HR.

As a result the Agency's performance against targets was generally good and customers were kept abreast of case progression and impacts. There were no major impacts on case progression through the Courts.

During this year, FSNI continued to participate in the work of the Forensic Services Strategy for Northern Ireland. New services were introduced through the Joint Innovation Delivery Group (JIDG) which reflects the joint working partnership in relation to research and development between FSNI and PSNI. This group assesses projects against the following criteria:

- Improved science at scenes of crime;
- Faster science, both at scenes and throughout Forensic Services processes;
- Cheaper science without a loss of quality or integrity; and,
- Robust science which meets evidentiary and legislative requirements.

Following on the success of the high care Locard laboratory, a Strategic Outline Case (SOC) was approved towards the end of 2018-19 for the building of a second new laboratory to house all remaining functions. While it had been anticipated the Outline (OBC) and Full Business Case (FBC) could be progressed and the design and build project for "Locard II" would be initiated in 2019-20, this has been deferred pending a review of the delivery model for forensic science

services required to best meet the needs of the wider Northern Ireland Criminal Justice System moving forwards and to take into account any Forensic Services Strategy recommendations.

The Perseus integrated software solution for case management system (CMS), laboratory information management system (LIMS) and quality management system (QMS) is now fully embedded within the Agency. While the Perseus project has formally closed a Change Advisory and Design Authority (CADA) group had been established to take forward any further changes/enhancements (including Management Information Systems (MIS) reports) under Business as Usual. A Post Project Evaluation (PPE) is currently being conducted. The management information (MI) derived from Perseus and other systems will become increasingly useful over the coming years in case progression, performance and productivity reporting and will contribute to understanding the value of forensics and its role, alongside other Criminal Justice Organisations (CJOs), in improving timeliness across the Criminal Justice System.

In November 2019 a novel strain of Coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020. The pandemic caused significant economic disruption just before the financial year end. The ongoing disruption caused by the pandemic has created significant economic uncertainty, and this uncertainty is expected to continue throughout 2020. As a result, FSNI's financial planning performance targets were achieved late and the completion of annual accounts was delayed. However the pandemic did not have an impact financially on FSNI during 2019-20. In response to the Covid-19 situation and social distancing requirements FSNI's capacity has been reduced in 2020-21. This will have an effect on achieving similar performance targets to 2019-20 and FSNI is working with its customers to maximise delivery. It is anticipated that the Agency will experience increased costs in 2020-21 due to measures put in place to further safeguard staff from infection and as a result of price increases in Personal Protective Equipment.

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during a transition period ending 31 December 2020. FSNI continues to monitor developments in this area.

Looking forward

Focus for 2020-21 will be on:

- Making an effective contribution to the delivery plans for the Northern Ireland Executive's Programme for Government (PfG) outcomes 7 ("We have a safe community where we respect the law, and each other") and 11 ("We have high quality public services");
- Meeting customer needs through partnership;
- Efficient and effective delivery of forensic science services;
- Effective organisational design and infrastructure;
- Promoting staff well-being and providing a safe environment for our staff as we deal with the impact of Covid-19;
- Supporting the development of the new Northern Ireland Forensic Services Strategy;
- Delivering and extending quality services, and developing new products;
- Managing submission levels in partnership with stakeholders;
- Continuous business improvement through the development and use of MI;
- Enhancing co-operation with forensic services in other jurisdictions;
- Exploring opportunities for generating revenues; and,
- Maintaining and extending Quality Accreditation under the UKAS ISO/IEC 17025:2017 standard.

PERFORMANCE ANALYSIS

Review of performance

This year has been characterised by continued high casework demand – including for urgent and priority work – across most of our forensic specialisms. We have continued to see increasing demand for our Toxicology and Drugs services and this is in the main being driven by the increasing prevalence of drugs in our society and the risks associated with poly drug use. Meeting this demand was made more difficult due to higher than expected attrition rate amongst our more junior scientific staff with significant numbers of promotions to administrative grades, time taken to recruit replacements and substantial delays (beyond FSNI's control) in the security clearance process for new staff. This is recognised as one of the key issues affecting performance and work is ongoing with NICS HR to identify longer term solutions. This staff shortage coupled with high levels of submission in a number of areas led to a backlog of casework developing. Backlog reduction plans were developed and resulted in significant reduction in backlogs particularly in Drugs and Biology, the two highest volume areas, although this required a significant effort along with a high level of overtime working, and is not a sustainable model.

September 2019 was the first surveillance visit by the United Kingdom Accreditation Service (UKAS) to assess compliance with ISO/IEC 17025:2017 standard, ILAC G19 08:2014 and Forensic Information Databases Service (FINDS). The visit also included assessment of four extensions to the scope of the Agency's accreditation. The Agency's scope of accreditation was maintained and extended to include the four new methods. The Agency's Quality Management System also successfully transitioned to the new ISO17025:2017 standard.

Funding and capacity remained a key issue during the year and are projected to remain of central importance in the coming years. The overall capacity of FSNI across its range of specialisms is primarily determined by the value of the MoU with the Agency's principal paying customer, the PSNI. This value, in money terms, has reduced considerably over the last five years and as a result, FSNI had a staff complement (once vacancies were filled) in 2019-20 of 175 full-time equivalents, compared to 220 in 2013-14. During that period, inflation in wages and consumables costs has eroded the MoU value in real terms. However additional funding was secured in year to enable the Agency to live within its income levels.

Significant capital investments continue to be made in the very best of scientific instrumentation and equipment, whilst scientific staff have been cross-skilled to the maximum safe level in order

to maintain the important breadth of specialisms. As a result of all these measures, the productivity of the Agency has been maximised, so that total output in 2019-20 was greater, with 175 staff, (even allowing for the delays in filling the vacant posts) than it had been five years earlier with 220. However, the sustained high demand, coupled with further cost inflation, is stressing the organisation, especially in the key areas of Biology, Road Traffic Collisions, Toxicology and Drugs.

During this year, FSNI has partially offset the funding pressures by generating additional revenues through international work, concluding work commissioned on the investigation of the Smolensk air crash for the Polish Government, training of overseas scientists funded by the Foreign and Commonwealth Office and some work to support the design and development of a new Forensic Laboratory in Tirana, Albania.

The Northern Ireland Forensic Services Strategy has moved forward during the year, with FSNI playing a key role in several of the strategic projects. One of the most important projects relates to measuring the value added by forensic science to the Criminal Justice System (CJS) and society as a whole and Ulster University has been engaged to conduct the research. This work has progressed with a model now developed and work is continuing with a range of stakeholders to provide data to populate the model. Linked to this is the Process Mapping of the justice flowline, identifying the processes by which forensics interacts with the Justice System and work was taken forward this year looking specifically at the Toxicology work stream.

Performance against Key Performance Targets 2019-20

Overarching Programme for Government (PfG) High Level Outcome and Measure: –

PfG 11: We have high quality public services

PfG 7: We have a safe community where we respect the law, and each other

Measure – Average time taken to complete criminal cases

The following are the published targets taken from the Outcome Focused Business Plan.

1. Customer Perspective – meeting Customer needs through partnership

High Level Outcome	Key Indicators	Key Actions	Outcome
Services aligned to changing customer needs	Delivery of FSNI commitments within the 2019-20 PSNI and SPD MoU's	By 30 June 2019 to have a proposed final draft of the PSNI MoU with the PSNI for signing	Achieved
		By 30 June 2019 to have a proposed final draft of the SPD MoU with SPD for signing	Achieved
		By 31 March 2020 to have achieved the KPI's in the PSNI MoU: – i. Completion of 95% urgent work within agreed timeframes (96% achieved) ii. 82% of all crime cases issued within 108 days (target 80%) iii. 6 monthly performance reports provided – reports completed iv. Urgent scene and on call rota support – all requests met v. Maintain Quality Accreditation – Accreditation confirmed February 2020	Achieved
		By 31 March 2020 annual review completed for demand and capacity with PSNI and SPD	Achieved
		By 31 March 2020 to have delivered the in-year actions in the JIDG Project Register	Partially achieved – in-year actions have been delivered where possible subject to challenges associated with resources, time and costs

High Level Outcome	Key Indicators	Key Actions	Outcome
Services aligned to changing customer needs	Implementation of FSNI Actions in Support of the Joint PSNI/FSNI DNA Strategy	By 31 March 2020 to have delivered all actions assigned to FSNI in relation to the joint FSNI/PSNI 5 year DNA Strategy	Partially achieved – 12 of the 13 actions completed/launched in year. Estimated completion date of outstanding action July 2020.
Customers and Stakeholders recognise the value Forensic Science brings to the Criminal Justice System	Delivery of the 2019-20 actions within the FSNI Stakeholder Engagement Plan	By 31 May 2019 to have completed an evaluation of the 2018-19 Stakeholder Engagement Plan	Achieved
		By 30 June 2019 to have developed the 2019-20 Stakeholder Engagement Plan	Achieved
		By 31 March 2020 to have delivered key activities agreed in the Stakeholder Engagement Plan	Achieved
	MIS Performance and Other Reports meet FSNI and Customer Requirements	Work with Customers to develop MI Systems	Achieved
	Implementation of 2019-20 FSNI actions in support of the Forensic Services Strategy	By 31 March 2020 to support the FSLB projects and the delivery of any actions assigned to FSNI	Achieved
		By 31 March 2020 to support FSOG projects and the delivery of any actions assigned to FSNI	Achieved
	Delivery of FSNI commitments in Connection with Legacy Investigations	By 31 March 2020 to have supported Legacy Investigations through delivery of the Legacy Investigations Branch MoU and Coroners Legacy Inquest agreed plan	Achieved

2. Processes Perspective – efficient and Effective Delivery of Forensic Science Services

High Level Outcome	Key Indicators	Key Actions	Outcome	
Processes maximise the value from crimes scene to court	Achievement of accreditation against the UKAS ISO 17025:2017 Standard	By 31 August 2019 to have implemented the actions in the ISO17025:2017 Action Plan	Achieved	
		By 31 January 2020 to have achieved accreditation to the ISO17025:2017 standard	Achieved (but late) – confirmation of accreditation received from UKAS on 12 February 2020	
		In-year Extensions to Scope actions aligned to agreed schedule	Achieved	
		By 31 December 2019 to develop a 5 year accreditation plan	Achieved	
	Delivery of the requirements of the ISO 17020 Standard	By 31 March 2020 to deliver the in-year actions in the ISO 17020 accreditation plan	Not achieved – focus has been on the extension to scope schedule and the successful transition to the 2017 version of the 17025 standard. Target set for September 2020 as part of 2020-21 business plan.	
	Preparedness for legislative change	By 30 June 2019 to have reviewed the 2019-20 legislation awareness plan to meet planned legislative and regulatory change in 2019-20	Achieved	
		By 31 March 2020 to have delivered actions in the legislation awareness plan for the 2019-20 year	Achieved	
	Review of key business processes	By 31 March 2020 to have reviewed three key processes across the organisation	Achieved	
	Services are aligned to the DoJ Digital Strategy	Delivery of FSNI actions in support of the FSNI; DoJ and wider CJS ICT strategies	By 31 March 2020 to commission a review to identify opportunities for technology enabled business processes	Partially achieved – FSNI fully participated in the development of a DoJ Digital Strategy which was developed in-year. Some other work has been taken forward to identify opportunities for digital enhancement to processes.

High Level Outcome	Key Indicators	Key Actions	Outcome
Services are aligned to the DoJ Digital Strategy		By 31 March 2020 FSNI to have “on boarded” to DoJ Records Information Management System	Achieved

3. Learning Development and Growth Perspective – effective Organisational Design and Infrastructure

High Level Outcome	Key Indicators	Key Actions	Outcome
Right people with the right skills in the right roles at the right time	Perseus work strands (i.e. SharePoint, Quality management system (QMS), Laboratory information management system (LIMS) and Perito) are embedded in the organisation	By 31 March 2020 CADA to ensure that Perito and LIMS continue to be developed to maximise opportunities for efficiency and MI development	Partially achieved – specification for key MI reports was completed in year as well as a number of user improvements to Perito. LIMS needs to be developed further to assist with lab based reporting and Business Information (BI).
	People Management and development delivered to meet FSNI requirements and training plan equipped staff with the skills and knowledge to deliver a Quality Service	By 31 March 2020 to provide support and input to any Organisation Re-design projects arising in-year	Achieved
		By 30 Apr 2019 to have developed an overarching line of business training plan detailing the costs associated with training and conferences for the 2019-20 business year	Achieved
		By 31 March 2020 to review the training plan to ensure it meets Line of Business Competency Management/development needs	Achieved
		By 31 March 2020 to have engaged with NICS HR to support the delivery of the People Plan	Achieved
		By 31 March 2020 FSNI Leadership Board (LB) to approve the 2020-21 staff resource budget	Achieved (but late) – due to Covid-19 the regular FSNI LB did not take place in March 2020. The resource budget was subsequently approved by the CEO and Directors via video conference on 17 April 2020 and approved by FSNI LB on 29 April 2020.
FSNI technically equipped to deliver service excellence	Delivery of the ICT/Digital Strategy in support of Agency and Justice Modernisation	By 31 May 2019 to develop the 2019-20 ICT Action Plan (year 2 of the ICT Strategy)	Achieved
		By 31 March 2020 to have delivered in year actions in the ICT Strategic Plan	Achieved

High Level Outcome	Key Indicators	Key Actions	Outcome
FSNI technically equipped to deliver service excellence FSNI technically equipped to deliver service excellence	Accommodation and facilities meet FSNI and the wider CJS requirements	Accommodation requirements to be reviewed as strategic plans develop (by 31 March 2020 to have updated the OBC for accommodation in line with FSLB requirements)	Target suspended – project put on hold pending clarity on future forensic service provision in NI
		By 31 March 2020 to have a new/enhanced Drugs Laboratory in operation	Achieved
	Further development of the Business Continuity Plan (BCP)	By 31 March 2020 to have delivered the in-year BCP Action Plan	Achieved

4. Finance Perspective – deliver Best Value for Money

High Level Outcome	Key Indicators	Key Actions	Outcome
Effective and Efficient use of Resources	People Management and development delivered to meet FSNI requirements in line with the NICS People Strategy	By 31 March 2020 to have implemented Performance Management Actions in all sections in line with NICS policies and HR Connect procedures	Achieved
		By 31 March 2020 to have implemented Attendance Management actions in all sections in line with NICS Policies and HR Connect	Achieved
	Business Development Strategy in support of income generation	By 31 May 2019 to have reviewed and updated the 2019-20 Business Development Plan	Achieved
	Allocate and manage budgets to all spending areas based on PfG and Business priorities	By 31 March 2020 FSNI LB to approve the 2020-21 Capital and Resource budgets	Achieved (but late) – due to Covid-19 the regular FSNI LB did not take place in March 2020. The resource budget was subsequently approved by the CEO and Directors via video conference on 17 April 2020 and approved by FSNI LB on 29 April 2020.
Trusted Assured Corporate Governance	FSNI staff fully engaged to deliver a strong Health and Safety Culture	To deliver the in-year H&S risk-assessment programme by 31 March 2020	Achieved
	Meeting the requirements of the FSNI Corporate Governance Framework	By 31 March 2020 to have an overall rating of “satisfactory” against the Internal Audit plan for 2019-20	Achieved
		By 31 March 2020 complete all key requirements of the Corporate Governance Framework	Achieved
	Final outturn as close to budget as possible	At least 4 meetings held in year to review and manage the Long Range Financial Plans and any associated Mitigation Plans	Achieved
		No overspend against the final 2019-20 budget and final outturn within 1% of budget	Achieved
	Compliance with General Data Protection Regulation (GDPR) legislation	By 31 March 2020 to have fully complied with GDPR legislation	Achieved

Financial review

Net expenditure

The net expenditure of the Agency for 2019-20 is compared to the previous two financial years in the table below:

	2019-20 £000	2018-19 £000	2017-18 £000
Total operating income	11,066	10,622	10,521
Staff costs	8,059	7,442	7,508
Purchase of goods and services	4,549	4,443	3,886
Depreciation and impairment charges	2,061	2,038	1,770
Provision expense	298	16	(128)
Total operating expenditure	14,967	13,939	13,036
Net operating expenditure	3,901	3,317	2,515
Finance expense	80	40	2
Net expenditure for the year	3,981	3,357	2,517

Non-current assets

Non-Current Asset expenditure movements are detailed in the notes to the financial statements. Capital expenditure in 2019-20 totalled £0.893m (2018-19: £1.093m) which included expenditure on Laboratory equipment.

Financial position

The total net assets of the Agency at 31 March 2020 were £20.557m (2018-19: £20.902m).

Cash flow

As detailed in the notes to the Accounts, the Agency's Net Assembly draw down in 2019-20 was £3.118m (2018-19: £1.435m) and the net increase in Cash and cash equivalents in the year was £0.594m (2018-19: decrease £0.144m).

Financial risk

The Agency is mainly reliant on one customer which accounts for 87% of total income. This customer, however, is also a public body and therefore the risk of non-payment of income is deemed low. The Agency is also supplemented by the DoJ for pressures that are agreed each

year. This covered the deficit of £3.981m in 2019-20 (2018-19: £3.357m). The deficit in 2019-20 largely relates to non-cash costs and corporate governance costs.

The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

Long-term expenditure trends

The charts below show:

- **Chart 1:** the movement in the Department of Justice non-ringfenced Resource Departmental Expenditure Limit (DEL) opening baseline over the period 2016-17 to 2020-21; and
- **Chart 2:** the 2020-21 non-ringfenced Resource DEL budget split by the Core Department, executive agencies and Non-Departmental Public Bodies.

Chart 1: DoJ Non-Ringfenced Resource DEL opening baselines

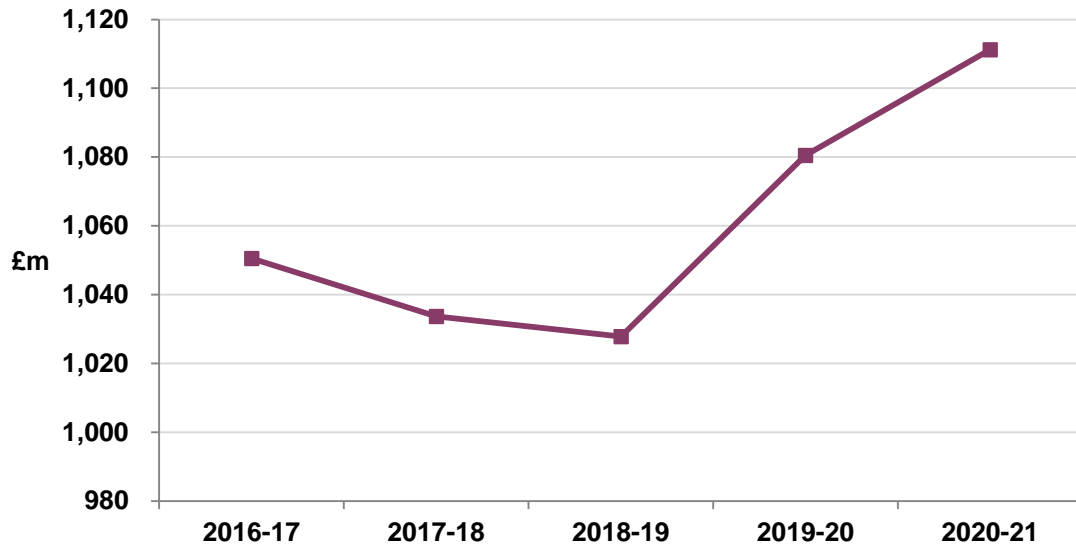
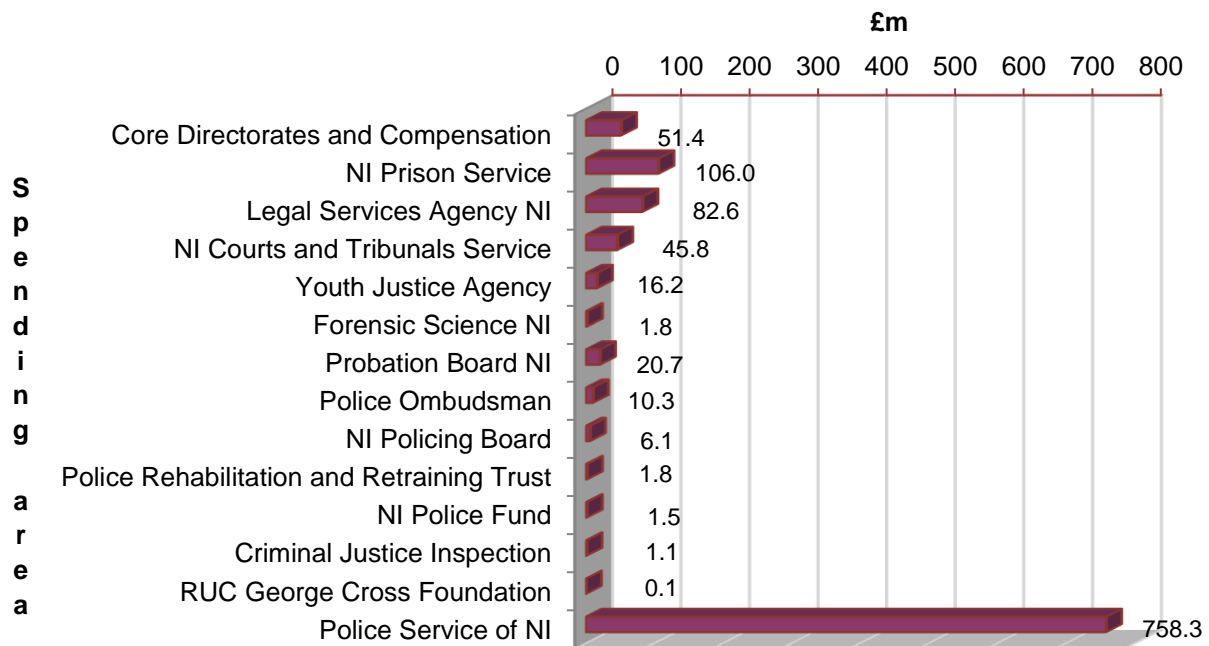


Chart 2: DoJ 2020-21 Non-Ringfenced Resource DEL Opening Budgets



2019-20 financial year

The Secretary of State announced a Northern Ireland 2019-20 budget on 28 February 2019. The Department of Justice’s non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2018-19 opening baseline);
- £31.1m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £11.3m was provided towards pressures identified by the Department;
- £32.0m contribution towards pension pressures; and
- £10.7 million of funding for EU Exit costs.

FSNI received £11.066m of income in 2019-20, with £9.605m from the PSNI, and additional funding from the Department of £1.540m.

2020-21 financial year

On 31 March 2020, the Finance Minister set out the 2020-21 budgets for Northern Ireland departments which have been agreed by the Executive. The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2019-20 opening baseline);
- £29.7m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £22.5m was provided towards pressures identified by the Department;
- £5.0m contribution towards Legacy Inquest costs; and
- £10.7m of funding for EU Exit costs.

FSNI is forecast to receive £11.040m of income in 2020-21, with £9.708m from the PSNI, and additional funding from the Department of £2.089m.

Audit

The financial statements were audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office (NIAO) and is appointed by statute and reports to the Northern Ireland Assembly. The C&AG and his staff are wholly independent of the Agency.

The notional audit fee for the work performed by the C&AG's staff during the reporting period, and which relates solely to the audit of these financial statements, was £17,500 (2018-19: £16,000).

The C&AG may also undertake other statutory activities that are not related to the audit of the body's financial statements such as Value for Money reports. No such activity took place during 2019-20 or 2018-19.

Payments to suppliers

The Agency's policy is to pay bills from all suppliers within ten working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. The performance of FSNI for 2019-20 showed that on average 93.6% (2018-19: 88.7%) of invoices were paid within ten working days following receipt of a properly rendered invoice. The average for payment within 30 calendar days was 97.6% (2018-19: 95.5%).

Regulation and legislation

September 2019 was the first visit of FSNI's four year assessment cycle by the United Kingdom Accreditation Service (UKAS) to ISO/IEC 17025:2005 and ILAC G19 08:2014, the National DNA Database. The visit also included assessment to transition to the ISO/IEC 17025:2017 standard. The assessment visit took place between the 2 to 13 September 2019, with FSNI's UKAS assessment manager accompanied by fourteen technical assessors, covering the various technical disciplines. The visit included assessment of four extensions to the scope of FSNI's accreditation.

Accreditation was maintained and extended to include a new toxicology extraction method, use of a new visualisation technique for use in fingerprints (Indanediones), analysis of an extended range of explosives and the physical capture and preservation of data from mobile phones. FSNI was also assessed to the revised ISO/IEC 17205:2017 standard. Accreditation for the 2017 standard was granted on 12 February 2020. The assessment process involved all teams within

FSNI. The current scope of accreditation for FSNI's testing and calibration can be found on the UKAS website: –

<https://search.ukas.com/#/tabbed/search?q=forensic%20science%20northern%20ireland&ati=1>.

Sustainability

FSNI is committed to aligning itself with the Northern Ireland Executive's policy on sustainable development as set out in the Sustainable Development Strategy.

To this end, FSNI complies with its duties under the WEEE (Waste Electrical and Electronic Equipment) directive and undertook the following:

- Safe disposal of all hazardous or environmentally damaging substances;
- Recycling programme to include cardboard, paper, ICT equipment, toners, glass and plastics;
- Sustainable disposal of viable equipment; and,
- Safe and responsible disposal of all chemical and clinical wastes generated by the Agency.

Recycling and recovery in 2019-20 resulted in at least 98% (2018-19: approximately 80%) of waste diverted from landfill.

Environmental, social and community issues

The Agency recognises its responsibility to carry out its operations whilst minimising environmental impacts. There have been no significant environmental, social and community issues during the year. The Agency complies fully with its environmental policies, including health and safety, waste management, management of emissions and disposal of hazardous waste.

The Agency, in working with suppliers and contractors, has sought opportunities to demonstrate its corporate social responsibility.

Health and safety

The management of health and safety in a forensic science organisation is inherently complex, given the range of risks which the nature of the work entails. It is a responsibility shared between all managers and staff, with the help of guidance from the Agency's health and safety advisor.

The Agency sees a safe working environment as encompassing both the physical and mental well-being of its staff. The Agency strives for continuous improvement in safety performance through reviews of safe working practices and increased safety awareness of all staff. The Agency

consults, as appropriate, with the Health and Safety Executive Northern Ireland (HSENI), and takes advice and guidance where improvement actions are required.

The Agency by its very nature deals routinely with exhibits and materials presenting potential chemical, biological or physical risk (sometimes in a traumatic environment) and accepts its responsibilities under the Health and Safety at Work (NI) Order 1978.

Human rights

Civil servants have a statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services. The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to staff in the Agency to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within the Agency.

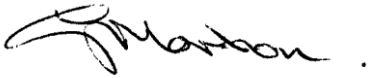
Anti-corruption and anti-bribery

The Agency is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within the Agency, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. The Agency will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. The Agency has a zero tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Whistleblowing

The Agency follows the Department of Justice's Whistleblowing policy. This policy is designed to reassure staff that it is safe and acceptable to speak up when they have a concern about malpractice. The procedures provide arrangements so that any such concerns can be addressed at an early stage and in a fair and proper way. The Head of Group Internal Audit Services (GIAS) for FSNI is involved in conducting independent investigations into issues raised under the policy.

PERFORMANCE REPORT

A handwritten signature in black ink, appearing to read "G Morton", with a small dot at the end.

G Morton

Chief Executive and Accounting Officer

13 October 2020

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

The Accountability section of the Annual Report outlines how the Agency meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

i – Corporate Governance Report

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

As a minimum, the corporate governance report must include:

- Directors' Report;
- Statement of Accounting Officer's responsibilities; and,
- Governance Statement.

ii – Remuneration and Staff Report

This section sets out the Agency's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

iii – Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Regularity of expenditure;
- Assembly accountability disclosures; and,
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

Directors' Report

Chief Executive

Stan Brown, who had been Chief Executive and Accounting Officer of the Agency since October 2006, retired in September 2019 and was replaced by Gillian Morton. Both were supported in their responsibilities for corporate governance and strategic direction by a Leadership Board.

The Leadership Board

During the course of 2019-20 the membership was as set out below:

S Brown	Chief Executive (from April – September 2019)
G Morton	Chief Executive (from September 2019 to date)
S Campbell	Director of Laboratory Services (April – May 2019) Director of Laboratory Services; Acting Quality and Laboratory Information Management Services Director (May 2019 to date)
A McElveen	Acting Director of Reporting Services and Corporate Services Director (April – May 2019) Acting Director of Reporting Services; Corporate Services and ICT Director (May 2019 to date)
A Kirkwood	*Quality; ICT and Customer Services Director (April – May 2019)
W McCollum	Finance Manager (April 2019 – October 2019) Director of Customer and Corporate Services (November 2019 to date)
T Burgess	Independent Board Member
C Warnock	Independent Board Member

(*Quality Director position vacant from May 2019 – March 2020)

Company directorships and other significant interests

A register, available for public inspection, is maintained by FSNI that includes declarations of any significant interests held by Leadership Board (LB) members that may conflict with their LB responsibilities. During the year there were no such conflicts of interest declared by any LB member.

Personal data

FSNI complies with the Data Protection Act (DPA) 2018 and had no breaches of the Act to disclose for 2019-20.

Complaints

During the year, FSNI, along with other Justice Department Agencies, were requested to update their Complaints procedures to align with the Department of Justice (DoJ) Complaints Handling – Policy and Procedures for Staff (Version 1.0 February 2019). The main change for FSNI's procedure was a reduction in the time period for acknowledgement of a complaint from five working days to three working days. Along with this, there was some standard wording for responding to the complainant to be included in the FSNI procedure from the DoJ policy. There was also some amendment to the FSNI Complaints procedure to include some specific wording to ensure compatibility to ISO/IEC 17025:2017.

The FSNI Complaints handling procedure was subject to an audit by DoJ Internal audit in February 2019. The overall audit outcome was deemed "Satisfactory". No recommendations were raised.

For the period 1 April 2019 – 31 March 2020, there were no complaints and two concerns recorded, as per the current definitions of complaints and concerns. Of the two concerns raised, one was partially upheld and the other concern was not upheld. Further information can be found on the monitoring of complaints at <https://www.justice-ni.gov.uk/articles/fsni-complaints-procedure>.

Non-Executives' Report

2019-20 saw the retirement of Stan Brown and the appointment of a new Chief Executive. With his co-operation, for which we express our thanks, the transition to the new Chief Executive, Gillian Morton, has been seamless.

FSNI has faced a number of significant challenges in 2019-20 which have included high demand levels in key disciplines, continuing pressure on resources both human and financial, the upgrading of the quality management system to the new 2017 standard and, towards the end of the financial year, addressing the safety and operational implications of the developing Coronavirus situation. In the circumstances FSNI has performed well thanks to the dedication, professionalism and resilience of the staff and good teamwork, with a clear focus on maintaining quality standards and on delivering value for money. In addition the Agency has continued to make good progress in working collaboratively and building trust with key partners in the Criminal Justice System.

The allocation of limited resources to achieve optimum effectiveness and efficiency continues to be a priority for the Leadership Board. It is an area which provides continuous challenge and requires regular monitoring and review. We support the structural changes made by, and the review currently being undertaken by the new CEO in the light of changing customer demands and priorities, internal process reviews, legislative changes, and advances in technology and IT. Cross-skilling continues to be successfully maximised and management is fully committed to capturing further efficiency gains from the Perseus case management system and to ensuring that digital assets and IT systems are aligned with the new DoJ Digital Strategy.

FSNI continues to play a key role in the delivery of the Northern Ireland Forensic Services Strategy. The work being carried out under the direction of the Forensic Services Leadership Board (FSLB) and by the Forensic Services Operations Group (FSOG) work streams has already produced changes which will help to inform future decisions on the day-to-day operation of the Agency, on the investment in forensic capacity, and on the most efficient and effective organisational structure for delivering forensic science services to the CJS in Northern Ireland. The FSLB and FSOG work programme is due to be completed in March 2021 and notable benefits have seen a significant improvement in collaboration and co-operation between partners in the criminal justice 'supply chain'. FSLB has commenced work on looking to the future in terms of co-operation and new work streams.

In the last quarter of the year we carried out the annual Board Effectiveness review which provides valuable feedback on the operation of the Leadership Board. We are pleased to report that most of our previous year recommendations have either been implemented or are in the process of being implemented, and that the Board continues to provide effective leadership and governance of the Agency within a framework of internal and external controls which enable risk to be assessed and managed. The Governance Framework document is reviewed annually by the Audit and Risk Assurance Committee who have confirmed that it is reasonably satisfied the Framework operated effectively throughout 2019-20.

With regard to the Coronavirus crisis, staff safety and operational challenges are being positively addressed taking on-board public health guidance. The good communication channels which have been established through the FSOG working groups are being used to prioritise workflow with key customers on an almost daily basis and discussions are taking place with other members of the Celtic Forensic Partnership on reciprocal arrangements should these be required at any stage. 2020-21 will also be a testing year in terms of EU Exit and ongoing funding and capacity issues, but we are confident that the Agency's management and staff will address these challenges pragmatically and effectively.

T Burgess

C Warnock

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed Forensic Science Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Forensic Science Northern Ireland and of its net resource outturn, application of resources, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a 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 Accounting Officer of the DoJ has designated the Chief Executive of Forensic Science Northern Ireland as the Accounting Officer of Forensic Science Northern Ireland. 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 Forensic Science Northern Ireland assets, are set out in the Accounting Officer's Memorandum in Managing Public Money Northern Ireland published by DoF.

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 Agency's auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

Governance Statement

1. Scope of responsibility

FSNI is an Executive Agency of the DoJ and operates within the context of the Department's overall vision and strategic objectives. As Accounting Officer of FSNI, I have responsibility for maintaining a sound system of governance that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the Agency is directed and controlled, and the activities through which it accounts to and engages with stakeholders. It enables the Agency to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, timely and cost-effective services. The governance framework for FSNI was reviewed and revised in 2019-20 and has taken into account the requirements and governance approach contained in the DoF MPMNI guidance published in 2013: <https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni>.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place along with other established mechanisms/processes established within the Agency for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts, and accords with the Corporate Governance Code and DoF Guidance issued (in particular the Corporate Governance in Central Government Departments: Code of Good Practice NI 2013 (Annex A – Board Operating Framework Guidance): <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodfp0613att.pdf>.

The Governance Framework will be reviewed in 2020-21 based on MPMNI and any other relevant guidance issued.

3. Governance framework

As Chief Executive, I am supported by the FSNI Leadership Board. The Leadership Board comprises four Executive Directors. From April – October 2019 the Executive Directors were Reporting Services (in 2019-20 the Director of Reporting Services role continued to be filled during the year through the temporary promotion of the Director of Corporate Services); Laboratory Services; Quality, ICT and Customer Services; and Corporate Services. Following internal restructuring from November 2019 the four Executive Directors are now Reporting Services, Corporate Services and ICT; Laboratory Services, Acting Quality and LIMS; Quality (position currently vacant) and Customer and Corporate Services. The Leadership Board also includes two Independent Board Members (IBMs). Other invitees to/attendees at FSNI Leadership Board meetings with no voting rights are representatives from Financial Services Division; PSNI and NICS HR. The Leadership Board is supported by a dedicated Corporate Secretary.

The Leadership Board is supported by the Agency's Senior Management Team (SMT). The SMT consists of heads of section or team managers and other senior managers and is chaired by a Director. The main purpose of the SMT is to manage the day-to-day operation of the Agency to ensure delivery of objectives within available resources.

The Northern Ireland Assembly was dissolved in January 2017 and the devolved Government in Northern Ireland restored on 11 January 2020. In the absence of a Minister of Justice the Agency's 2019-20 Business Plan was approved by the DoJ Director of Safer Communities and regular reviews of the Agency's progress in achieving its objectives and key performance targets were conducted. During the year, FSNI did not receive any Ministerial directions.

The FSNI Audit and Risk Assurance Committee (A&RAC) is chaired by one of FSNI's IBMs. The A&RAC supports me in my role as the Accounting Officer and with my responsibilities for issues of risk, corporate governance, internal control and associated assurance, as well as providing an appropriate challenge function.

The membership of the FSNI A&RAC during 2019-20 has comprised of:

- Two IBMs (one as Chair); and,
- One Independent A&RAC Member.

The Independent A&RAC Member position was vacant following the previous Independent Member's success in the FSNI Chief Executive recruitment competition. In order to be fully compliant with the governance arrangements and processes set out in the Department of Finance (DoF) Audit and Risk Assurance Committee (A&RAC) Handbook (NI) (April 2018), expressions of interest were requested from other NICS Departments for this position which was considered to be a developmental opportunity for a senior NICS Grade member of staff to sit as an IM on an Executive Board Committee. R Murtagh was appointed as Independent A&RAC member in August 2020.

The quorum at A&RAC meetings consisted of two A&RAC Members inclusive of the Chair.

With the exception of the April 2019 A&RAC meeting to approve the initial 2018-19 FSNI Annual Report and Accounts which was conducted as a "desktop exercise" by e-mail, representatives from GIAS and NIAO attended meetings of the A&RAC. The A&RAC Chair meets separately with the DoF Head of Internal Audit Services (HIAS) for FSNI, the NIAO audit manager and the Chair of the Departmental Audit Committee and also sits on the forum of A&RAC Chairs of all DoJ sponsored bodies. The LB, SMT and A&RAC operate under agreed Terms of Reference, which are reviewed annually.

Another key element of the Agency's governance framework is a professionally led DoF GIAS delivered internal audit function that works to Public Sector Internal Audit Standards, reviewing the overall arrangements for managing risk, providing assurance and reporting any matters of concern to the FSNI A&RAC. Assurance is also obtained from the NIAO who report to the A&RAC following the statutory audit of the Agency's Annual Report and Accounts. The A&RAC review GIAS and NIAO reports and monitor progress against recommendations.

The auditing of the Agency by GIAS and by the NIAO sits, from the Agency's perspective, within a wider auditing environment, including the annual in-depth inspections by United Kingdom Accreditation Service as part of the maintenance of accreditation to the quality standard ISO 17025:2017, plus an extensive programme of internal quality audits as well as collaborative exercises with other forensic science providers.

Assurance Statements are completed twice annually at Directorate level within FSNI. As part of the year-end preparations for 2019-20, all FSNI Directors were asked to complete assurance statements. The purpose of the statements is to improve management and control by identifying

management's specific responsibilities and seeking written assurance that these have been exercised with reasonable care, skill and diligence. These statements also inform the content of this Governance Statement.

The LB promotes an anti-fraud culture, supported by the Directors and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams. Fraud and Whistleblowing policies are in place which can be accessed by all FSNI staff on the DoJ intranet.

There are a number of other sources from which assurance on the system of internal control is obtained. These include the work of the following bodies:

- Forensic Information Databases Services (FINDS) (in relation to the NI DNA Database);
- Criminal Justice Inspection Northern Ireland (CJINI);
- Forensic Services Leadership Board and Operations Group;
- Health and Safety Executive for Northern Ireland;
- The Manufacture and Storage of Explosives Regulations (MSER) inspections;
- Department of Finance (DoF);
- DoJ Financial Services Division;
- National Fraud Initiative; and,
- DoF Construction and Procurement Delivery.

The Agency is satisfied that it has a robust corporate governance framework and that it is in compliance with relevant guidance issued by DoF.

4. Risk management and internal control

As Accounting Officer I have direct responsibility for the analysis and management of risk and I work with the LB and the management team to do so. Responsibilities are assigned and appropriate actions incorporated into the Agency's internal targets. The Agency, given the nature of its work and the rigours of quality accreditation in a scientific environment, has a low risk appetite. Risk is managed using a corporate risk register, with any major project or programme also having its own specific register. The Corporate Risk Register is a standard agenda item and reviewed at all LB, A&RAC and SMT meetings. It helps ensure that the principle risks to the Agency and its work are identified, quantified, mitigated and addressed timeously.

As part of the planning process, all senior managers who are also members of the SMT, are asked to review their own business areas and assess the risks faced within their area of responsibility. The SMT considers these operational risks and, in line with strategic planning priorities, determines the high level risks that could affect achievement of the Agency's strategic objectives. Risks are prioritised using a risk matrix, which assesses impact/likelihood. Each risk is assigned to a risk owner/manager who takes the appropriate steps to manage and control the risk. Any changes to the risk ratings or recommendations for new risks are referred to the LB for approval. The LB also considers any strategic risks to the Agency and will refer these to the SMT for assurance that these are adequately addressed in the Risk Register. The LB will also escalate or de-escalate risks to DoJ.

The Agency aspires to a to risk management approach which is mainstreamed within everyday work, where managers consider and continuously review risk as part of the Agency's normal operations. The assessment of risk is carried out alongside the development of the business plan. During the planning process, the Agency refers to the Corporate Risk Appetite Framework which presents a risk profile identifying the areas of high and low risk tolerance and is reviewed annually.

5. Review of effectiveness of the governance framework

I have responsibility for reviewing the effectiveness of the governance framework. The review is informed by:

Leadership Board Review

The Agency's LB met on eight occasions during 2019-20 with attendance by members as set out below, alongside attendance records for the A&RAC.

Title	Leadership Board	*Audit and Risk Assurance Committee
Chief Executive – S Brown (April – September 2019)	4/8	2/4
Chief Executive – G Morton (September 2019 – March 2020)	5/8	2/4
*Acting Director of Reporting Services (DoRS); Corporate Services and ICT Director – A McElveen	7/8	3/4
*Director of Laboratory Services; Acting Quality and LIMS Director – S Campbell	7/8	3/4
*Quality; ICT and Customers Services Director – A Kirkwood	1/8	1/4
Finance Manager	4/8	3/4
*Director of Customer and Corporate Services – William McCollum	2/8	1/4
Independent Board Member – T Burgess	8/8	4/4
Independent Board Member – C Warnock	8/8	4/4
**Independent A&ARC Member – G Morton (April – September 2019)	N/A	2/4

*FSNI A&RAC – FSNI Directors attend on a rotational basis

**A&RAC member only

Due to the Covid-19 pandemic the scheduled March 2020 LB meeting was cancelled with a teleconference meeting only held between the FSNI Chief Executive; Acting DoRS and the two FSNI IBMs.

The LB obtains management information from the case management system, the finance system and from several management reports to allow for review. The reports are also considered by the A&RAC for review and comment to the LB, and their quality is subject to GIAS review. The LB also obtains assurance on the quality of these documents through the GIAS review. An assessment of the LB effectiveness is conducted annually by the IBMs who review the LB Members' responses to an evaluation questionnaire based on Financial Reporting Council and Institute of Directors guidance.

DoJ Governance

As part of the Agency's governance arrangements, I met at least monthly with my Departmental line manager. Effective management of financial resources was ensured by following good management practice and guidance issued by DoJ's Financial Services Division. Budget holders also received detailed monthly management accounts and updated financial forecasts throughout the year. The budgets which were delegated to the Agency for the 2019-20 financial year were not exceeded.

Assurance Statements

In 2019-20 mid and year end assurance statements were completed by the Director in post.

Audit and Risk Assurance Committee (A&RAC)

The A&RAC met four times during the year and matters considered included the following:

- Risk management and the risk register;
- Effectiveness of the internal control and governance systems;
- The results of internal and external audit activity and progress against the implementation of recommendations to address weaknesses identified in internal audit reports and external audit reports; and,
- Internal Audit planning and strategy.

The A&RAC has met subsequent to the year-end to review final 2019-20 Annual Report and Accounts and recommend sign-off by the Accounting Officer.

A&RAC opinion on effectiveness of FSNI Governance Framework

The A&RAC is satisfied that FSNI had a robust corporate governance framework in place in 2019-20 and that it was in compliance with relevant guidance issued by DoF. Furthermore, the A&RAC is reasonably satisfied that this framework operated effectively throughout 2019-20.

Internal and External Audit

The effectiveness of the governance framework has been informed by the reports produced by the GIAS Internal Auditors, and comments made by the External Auditors in their Report to those Charged with Governance.

In recognition of the robust mechanisms for regular and in-depth scrutiny under which the Agency operates a review of FSNI's "auditing landscape" was conducted with GIAS at the start of the year and a rolling three year audit plan agreed. This plan focuses on filling any gaps and avoiding unnecessary duplication and was reviewed by the A&RAC.

During 2019-20 the following audits were completed by Internal Audit:

- IA – Review of FSNI Non-Current Assets (2019-20 Audit Programme);
- IA – FSNI Business Continuity Planning (Follow-Up) (2019-20 Audit Programme);
- IA – Review of FSNI Management Information Systems (2018-19 Audit programme, report issued 2019-20); and,
- IA – FSNI Creditors Payments and Gifts and Hospitality (2019-20 Audit Programme).

All GIAS audits had a rating of satisfactory. On the basis of internal audit work carried out, positive management action taken to address identified weaknesses, and assurances provided elsewhere, the DoF Head of Internal Audit Services for FSNI has provided the Accounting Officer with overall assurance that there is a satisfactory level of control within the Agency.

The implementation of actions arising from recommendations from audits by DoF GIAS, External Auditor, CJINI and others is regularly monitored by the LB and reviewed at A&RAC meetings. Priority one actions are reported to the Director of Safer Communities. During 2019-20 there have been seven recommendations made (four GIAS and three in the NIAO Report to Those Charged with Governance (RTTCWG), one of which was an outstanding action carried forward from the 2017-18 NIAO RTTCWG). All of the 2019-20 recommendations have been actioned and completed or closed out and the seventh recommendation has an updated completion date of 31 December 2020.

There were no Priority one audit recommendations received in 2019-20. FSNI's own internal scientific Quality Audit programme (consisting of approximately 80 internal quality audits) and the close out of resultant actions are reviewed monthly by the SMT and is reported to and reviewed by A&RAC.

6. Budget position

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

7. Significant internal control issues

Given the detailed operating environment pertaining in the Agency with its robust quality management procedures – including regular internal quality audits – specific operational issues are identified from time to time. Any such issues arising during the year have been dealt with in full accordance with the protocols of the Quality Management System (QMS) and their treatment is subject to further review and inspection by UKAS as part of the annual renewal of accreditation. There were no significant control issues or weaknesses identified or issues arising from reports by internal audit.

8. Accounting Officer statement on assurance

FSNI has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity, independent accreditation and quality inspection by UKAS and FINDS, a Quality Internal Audit programme, a programme of collaborative blind trials with other providers and by the DoF Internal Audit team operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering technical, financial and non-financial systems over time.

9. FSNI Roof Issue

FSNI are currently located at the Seapark site near Carrickfergus. The Agency occupy a mix of accommodation on the site including a custom built high care laboratory building (Locard), several portacabins and part of a converted cigarette factory. FSNI were informed by their landlord on 29th June 2020 that following the survey of a roof on a neighbouring building on site there was potentially a health and safety risk with the structure of the factory roof. As a precautionary measure FSNI temporarily closed their building and restricted access. Following an initial survey the laboratory areas in the building were quickly reopened thereby limiting the impact on service delivery. The FSNI roof survey report was received on 28 August 2020 and following some Health & Safety works some minor areas of the building are now accessible. The remaining teams have been moved to temporary accommodation on site where possible.

There is currently some uncertainty regarding the longer term future for the building and as such the value of some of the non-movable non-current assets located within the building may be overstated in the accounts.

The Agency has carried out a detailed exercise to identify those assets whose value may be subject to uncertainty and are content that any impact would not be material to the 2019-20 accounts. Therefore on that basis no adjustments have been made to the 2019-20 accounts.

REMUNERATION AND STAFF REPORT

Remuneration Report

Remuneration policy

The pay policy for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary set the 2019-20 NI public sector pay policy (October 2019) in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS staff, for 2019-20 has been finalised and paid.

The pay of SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. Staff at Grade 6 and below fall within the pay settlement provided by the NICS Comprehensive Pay and Grading Review.

Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

T Burgess was appointed as an Independent Board Member in April 2014 for an initial three year period, during 2016-17 this was extended to 30 April 2020. In January 2020 DoJ Permanent Secretary approval was requested and received to extend this appointment for 12 months to 30

April 2021, with the option, subject to both parties agreement/consent, to extend this for a further eight months to 31 December 2021. C Warnock was appointed as an Independent Board Member on 23 March 2015 for an initial three year period to 22 March 2018. This appointment has been extended for a further three years to 22 March 2021. G Morton was appointed as an Independent A&RAC Member on 6 February 2015 for an initial three year period to 5 February 2018 which was also extended for a further three year period to 5 February 2021. Following G Morton's success in the FSNI Chief Executive recruitment competition, R Murtagh was appointed as Independent A&RAC Member in August 2020. The Agency and the Independent Board/A&RAC Members may terminate the appointments by giving one month's notice in writing.

Remuneration and pension entitlements

The followings sections provide details of the remuneration and pension interests of the most senior management team in the Agency.

Remuneration and pension entitlements (Audited information)

Single total figure of remuneration

LB Members	2019-20				
	Salary	Bonus Payments	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total
	£000	£000	£000	£000	£000
S Brown – Chief Executive (to September 2019)	40-45 (80-85 full-time equivalent)	-	-	4	40-45 (85-90 full-time equivalent)
G Morton – Chief Executive (from September 2019)	35-40 (70-75 full-time equivalent)	-	-	-	35-40 (70-75 full-time equivalent)
S Campbell – Director of Laboratory Services (to May 2019); Director of Laboratory Services; Acting Quality and Laboratory Information Management Services Director (from May 2019)	55-60	0-5	-	24	80-85
A McElveen – Acting Director of Reporting Services and Corporate Services Director (to May 2019); Acting Director of Reporting Services, Corporate Services and ICT (from November 2019)	60-65	-	-	28	90-95
A Kirkwood – Director of Quality and ICT (to 31 May 2019)	5-10 (50-55 full-time equivalent)	-	-	4	10-15 (55-60 full-time equivalent)
W McCollum – Finance Manager (to October 2019); Director of Customer and Corporate Services (from November 2019)	40-45	-	-	19	60-65
T Burgess – Independent Board Member	5-10	-	-	-	5-10
C Warnock – Independent Board Member	5-10	-	-	-	5-10

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decreases due to a transfer of pension rights.

Single total figure of remuneration

LB Members	2018-19				Total
	Salary	Bonus Payments	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	
	£000	£000	£000	£000	
S Brown – Chief Executive	80-85	-	-	10	90-95
S Campbell – Director of Laboratory Services	50-55	-	-	18	70-75
A McElveen – Acting Director of Reporting Services and Corporate Services Director	55-60	-	-	19	75-80
A Kirkwood – Director of Quality and ICT	55-60	-	-	28	85-90
W McCollum – Finance Manager	40-45	-	-	19	55-60
T Burgess – Independent Board Member	5-10	-	-	-	5-10
C Warnock – Independent Board Member	5-10	-	-	-	5-10

Salary

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

Bonuses

One LB member received a bonus payment during 2019-20 and no bonuses were paid or payable during 2018-19. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019-20 relate to performance in 2019-20 and the comparative bonuses reported for 2018-19 relate to the performance in 2018-19.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No LB members received benefits in kind during 2019-20 or 2018-19.

Pay multiples (Audited information)

	2019-20	2018-19
Band of Highest Paid Director's Total Remuneration* (£000)	70-75	80-85
Median Total Remuneration* (£)	28,167	27,819
Ratio	2.56	2.97

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

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

The banded remuneration of the highest paid director in the Agency in the financial year 2019-20 was £70,000-75,000 (2018-19: £80-85,000). This was 2.56 times (2018-19: 2.97) the median remuneration of the workforce, which was £28,167 (2018-19: £27,819). The ratio has reduced as the banded remuneration of the highest paid director is lower in 2019-20.

In 2019-20 and 2018-19 no employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £19,000 to £70,000-75,000 (2018-19: £18,000 to £80,000-85,000).

Pension entitlements (Audited information)

LB Members	Accrued pension at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at **31/3/20	CETV at *31/3/19	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
S Brown – Chief Executive (to September 2019)	15-20 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0-2.5	342	342	3	-
G Morton – Chief Executive (from September 2019)	25-30 plus a lump sum of 60-65	0-2.5 plus a lump sum of 0	456	452	(2)	-
S Campbell – Director of Laboratory Services (to May 2019); Director of Laboratory Services; Acting Quality and Laboratory Information Management Services Director (from May 2019)	20-25 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0-2.5	390	359	13	-
A McElveen – Acting Director of Reporting Services and Corporate Services Director (to May 2019); Acting Director of Reporting Services, Corporate Services and ICT (from May 2019 to November 2019)	10-15	0-2.5	260	225	21	-
A Kirkwood – Director of Quality and ICT (to 31 May 2019)	10-15	0-2.5	181	178	3	-
W McCollum – Finance Manager (to October 2019); Director of Customer and Corporate Services (from November 2019)	10-15	0-2.5	133	118	7	-

* Or date of joining if later.

** Or date of leaving if earlier.

No pension benefits are provided to the Independent Board Members.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

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

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

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

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure

for the preceding September. The CPI in September 2019 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2020.

Employee contributions rates for all members for the period covering 1 April 2020 to 31 March 2021 are as follows:

Annualised rate of Pensionable Earnings (Salary Bands)		% Contribution rate for all members
From	To	From 1 April 2020 to 31 March 2021
£0	£23,999.99	4.60%
£24,000.00	£55,499.99	5.45%
£55,500.00	£152,499.99	7.35%
£152,500.00 and above		8.05%

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Compensation for loss of office

There were no compensation benefits paid by FSNi to any senior staff members during the financial year (2018-19: £Nil).

Staff Report

Staff costs (Audited information)

Staff costs comprise:

			2019-20	2018-19 *Restated
	Permanently **Employed £000	Others £000	Total £000	Total £000
Wages and salaries	5,709	81	5,790	5,595
Social security costs	595	-	595	579
Other pension costs	1,674	-	1,674	1,268
Total	7,978	81	8,059	7,442

*Figures for 2018-19 have been restated to reclassify Apprenticeship levy expenditure of £0.024 million as Social security costs rather than Wages and salaries.

**Of the total, no costs have been capitalised for staff involved with capital projects in 2019-20 (2018-19 £0.035 million).

Pension arrangements

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Agency is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out the scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2021.

For 2019-20 employers' contributions of £1.674 million were payable to the NICS pension arrangements (2018-19: £1.268 million) at one of three rates in the range 28.7% to 34.2% (2018-19: 20.8% to 26.3%) of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2018-19: £Nil) were paid to one or more

of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £Nil, 0.5% (2018-19: £Nil, 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No person (2018-19: No persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2018-19: £Nil).

Average number of persons employed (Audited information)

The average number of permanently whole-time equivalent persons employed during the year was as follows:

	2019-20	2018-19
	Number	Number
Senior civil service staff	1	1
Senior Management	3	3
Caseworkers	122	119
Support Staff	39	39
Temporary Staff	2	2
Staff engaged on capital projects	-	-
Total	167	164

Staff composition

The number of persons employed at 31 March 2020 by FSNI was as follows:

	Female Staff Number	Male Staff Number	Total Staff Number
Leadership Board	2	2	4
Senior civil service staff*	1	-	1
Staff	106	68	174

* The staff member in senior civil service staff is also in the Leadership Board Category.

Managing attendance

FSNI takes the management of sickness absence very seriously. FSNI has robust policies and procedures in place, which reflect best practice, to ensure that staff are afforded every opportunity of getting back to good health and into the workplace as soon as possible. Staff absence levels continued to be amongst the lowest in the DoJ at 5.8 days (2018-19: 4.4 days) average per staff member, despite the sustained heavy workload across the Agency.

The health and safety of everyone in the Agency is of paramount importance and we have a duty of care to help prevent staff becoming ill and to support them when they are. FSNI develop annual plans to support Staff Welfare and Well-Being and during the 2019-20 year supported staff with a number of health prevention and promotion events.

Equal opportunities

The Agency is pro-active in compliance with fair employment, sex discrimination, equal pay, disability discrimination and race discrimination legislation in Northern Ireland.

The Agency is committed to the promotion of good relations amongst staff and customers, irrespective of differing religious belief, political opinion, racial group, gender, marital status, sexual orientation, disability, age, or having dependants or not. It promotes a working environment where all members of staff will be treated with dignity and respect, and do not feel discriminated against or harassed. The Agency promotes equality of opportunity and is fully committed to the DoJ Equality Scheme.

Employment, training and advancement of disabled persons

The Agency follows the Northern Ireland Civil Service (NICS) policy. The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for

Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of NICS recruitment panels. Unconscious bias training is available to all staff.

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support alterations to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and has appointed one of its Deputy Secretaries as the NICS Diversity Lead for Disability. The NICS has a committed Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled colleagues, including a Work Experience Scheme for People with Disabilities.

FSNI contributes to the DoJ Disability and Equality Schemes and their Action Plans to meet the new disability duties under the Disability Discrimination (Northern Ireland) Order 2006.

Employee consultation

The Agency encourages the widest possible communication, consultation and staff involvement in its business development.

Pay policy

Under the *Civil Service (NI) Order 1999*, DoF is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- Be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- Encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- Ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- Secure the confidence of staff that their pay will be determined fairly;

- Secure the confidence of the public and their representatives in the system for determining the pay of the staff; and,
- Enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Career development

As part of the NICS, the Agency recognises the importance of having skilled and engaged employees and continues to invest in learning and development. The NICS Centre for Applied Learning (CAL) is responsible for development and delivery of all generic staff training. It offers a variety of learning delivery channels to enable flexible access to learning, blending different learning solutions into coherent learning pathways that are aligned to both corporate need and the NICS Competency Framework.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing. Talent Management is a key theme of the NICS People Strategy and work is underway to develop a more corporate approach to managing talent across the NICS. FSNi provide staff with specific Forensic Science training to maintain their competencies.

Other employee matters

The 2018-21 NICS People Strategy sets out the shared view of the people priorities across the NICS under the following themes:

- A well-led NICS;
- High performing NICS;
- Outcomes-focused NICS; and,
- An inclusive NICS in which diversity is truly valued – a great place to work.

Equality, diversity and inclusion

The NICS People Strategy 2018-21 places diversity and inclusion at its centre and includes a range of actions that will help accelerate the ambition of the NICS to be a service that reflects the society we serve.

The NICS continues to carry out its statutory obligations under fair employment legislation, including the annual return to the Equality Commission for NI. The NICS publishes a wide range of NICS human resource statistics.

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

NICS HR Learning and Development is responsible for development and delivery of all generic staff training. It offers a variety of learning delivery channels to enable flexible access to learning, blending different learning solutions into coherent learning pathways that are aligned to both corporate need and the NICS Competency Framework.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Talent management is a key theme of the NICS People Strategy and work is underway to develop a more corporate approach to managing talent across the NICS.

Employee consultation and Trade Union relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. The centralised human resource function, NICS HR, consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Expenditure on consultancy

There was no expenditure on consultancy during 2019-20 (2018-19: Nil).

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2019-20 (2018-19: Nil).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Assembly Accountability Disclosures (Audited information)

Regularity of expenditure

Losses and special payments

There were no losses or special payments that require disclosure in 2019-20 (2018-19: Nil).

Fees and charges

An analysis of income from services provided to external and public sector customers is as follows:

	Income	Full Cost	2019-20 £000 Surplus/ (deficit)	Income	Full Cost	2018-19 £000 Surplus/ (deficit)
Services	11,066	15,047	(3,981)	10,622	13,979	(3,357)

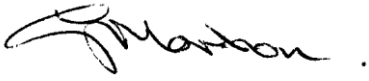
The above information is provided for fees and charges purposes, and not for IFRS 8 Operating Segments purposes.

Whilst there is a deficit of £3.981m (2018-19: £3.357m) on the Statement of Comprehensive Net Expenditure, this is offset by non-cash charges and funding provided by the DoJ.

Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Agency had no significant remote contingent liabilities during 2019-20 that require disclosure. Note 16 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT

A handwritten signature in black ink, appearing to read "G Morton", followed by a period.

G Morton

Chief Executive and Accounting Officer

13 October 2020

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 Forensic Science Northern Ireland for the year ended 31 March 2020 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes 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 Forensic Science Northern Ireland's affairs as at 31 March 2020 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Forensic Science Northern Ireland 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Forensic Science Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Forensic Science Northern Ireland have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Forensic Science Northern Ireland's ability to continue to adopt the going concern basis.

Other Information

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

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

Opinion on other matters

In my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

A handwritten signature in black ink that reads "K J Donnelly". The signature is written in a cursive style with a long, sweeping underline.

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

21 October 2020

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure For the year ended 31 March 2020

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

		2019-20	2018-19
		£000	Restated £000
	Note		
Revenue from contracts with customers	4	(11,065)	(10,622)
Other operating income	4	(1)	-
Total operating income		(11,066)	(10,622)
Staff costs	3	8,059	7,442
Purchase of goods and services	3	4,549	4,443
Depreciation and impairment charges	3	2,061	2,038
Provisions expense	3	298	16
Total operating expenditure		14,967	13,939
Net operating expenditure		3,901	3,317
Finance expense	3	80	40
Net expenditure for the year		3,981	3,357
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- Net (gain) on the revaluation of Property, Plant and Equipment	5	(470)	(2,204)
- Net (gain) on the revaluation of Intangibles	6	-	(31)
Comprehensive net expenditure for the year		3,511	1,122

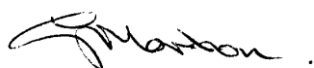
The notes on pages 71 to 91 form part of these Accounts.

Statement of Financial Position

As at 31 March 2020

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

		2020 £000	2019 £000
	Note		
Non-current assets:			
Property, plant and equipment	5	19,227	19,543
Intangible assets	6	3,181	3,563
Total non-current assets		22,408	23,106
Current assets:			
Inventories	8	56	56
Trade and other receivables	10	557	391
Cash and cash equivalents	9	1,233	639
Total current assets		1,846	1,086
Total assets		24,254	24,192
Current liabilities			
Trade and other payables	11	(3,107)	(3,068)
Provisions	12	(9)	(10)
Total current liabilities		(3,116)	(3,078)
Total assets less current liabilities		21,138	21,114
Non-current liabilities			
Provisions	12	(581)	(212)
Total non-current liabilities		(581)	(212)
Total assets less total liabilities		20,557	20,902
Taxpayers' equity and other reserves			
General fund		16,378	16,932
Revaluation reserve		4,179	3,970
Total equity		20,557	20,902



G Morton
Chief Executive and Accounting Officer

13 October 2020

The notes on pages 71 to 91 form part of these Accounts.

Statement of Cash Flows

For the year ended 31 March 2020

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

		2019-20 £000	2018-19 £000
	Note		
Cash flows from operating activities			
Net expenditure for the year		(3,981)	(3,357)
Adjustment for non-cash transactions	2	2,491	2,165
(Increase)/Decrease in trade and other receivables	10	(166)	151
<i>Movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	10	(4)	(25)
Decrease in inventories	8	-	8
Increase/(Decrease) in trade and other payables	11	39	582
<i>Movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		51	(477)
Use of provisions	12	(10)	(10)
Net cash (outflow)/inflow from operating activities		(1,580)	(963)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(798)	(567)
Purchase of intangible assets	6	(146)	(49)
Net cash outflow from investing activities		(944)	(616)
Cash flows from financing activities			
Net Assembly funding		3,118	1,435
Net financing		3,118	1,435
Net increase/(decrease) in cash and cash equivalents in the period		594	(144)
Cash and cash equivalents at the beginning of the period	9	639	783
Cash and cash equivalents at the end of the period	9	1,233	639

The notes on pages 71 to 91 form part of these Accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2020

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

		General Fund £000	Revaluation Reserve £000	Total Reserves £000
	Note			
Balance at 31 March 2018		18,676	1,867	20,543
Net Assembly funding		1,435	-	1,435
Comprehensive net expenditure for the year		(3,357)	2,235	(1,122)
Non-cash adjustments				
Notional charges – auditor's remuneration	3	16	-	16
Notional charges – other	3	30	-	30
Movement in Reserves				
Transfer between reserves		132	(132)	-
Balance at 31 March 2019		<u>16,932</u>	<u>3,970</u>	<u>20,902</u>
Net Assembly funding		3,118	-	3,118
Comprehensive net expenditure for the year		(3,981)	470	(3,511)
Non-cash adjustments				
Notional charges – auditor's remuneration	3	18	-	18
Notional charges – other	3	30	-	30
Movement in Reserves				
Transfer between reserves		261	(261)	-
Balance at 31 March 2020		<u>16,378</u>	<u>4,179</u>	<u>20,557</u>

The notes on pages 71 to 91 form part of these Accounts.

Notes to the Agency's Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency (for the reportable activity) are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

1.1 Accounting convention

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

The Accounts are stated in sterling, which is the Agency's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

1.2 Property, plant and equipment

The Agency's property, plant and equipment comprise buildings, plant and equipment, computers and motor vehicles, which are revalued annually using appropriate indices compiled by the Office for National Statistics.

Buildings are subject to professional revaluation every five years by the Land and Property Services. In the intervening years, buildings are revalued using the Land and Property Services indices. Upward revaluations are credited to the revaluation reserve. Downward revaluations are debited to the revaluation reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation recognised in the statement of comprehensive net expenditure.

The standard threshold is £1,000 (£500 for IT equipment) for capitalisation as an individual or grouped property, plant and equipment in line with the Agency's capitalisation procedures.

1.3 Intangible assets

Identifiable intangible assets are recognised when the Agency controls the asset, it is probable that future economic benefits attributable to the asset will flow to the Agency and the cost of the assets can be reliably measured. The Agency's intangible assets consist of software and software licences where expenditure is £1,000 or more.

Intangible assets are revalued annually using appropriate indices compiled by the Office for National Statistics. Upward revaluations are credited to the revaluation reserve. Downward revaluations are debited to the revaluation reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation recognised in the statement of comprehensive net expenditure.

1.4 Depreciation and amortisation

Freehold land is not depreciated. FSNI has depreciated separately identified components of its buildings assets according to the useful life of that component, with individual lives applied to each component.

Component	Definition
Building Structure	Substructure, frame, upper floors, roof, stairs, external walls, windows and external doors, internal walls and partitions, internal doors, floors/wall/ceiling finishes.
Engineering Systems	Sanitary appliances, services equipment, disposal installation, water installation, heat source, space heating and air treatment, ventilation systems, electrical, gas, lift and protective installations.
Equipment and Security Installations	CCTV, access control, alarm systems, control rooms including all associated Information and Communications Technology (ICT) hardware and software; fixed furniture, fittings, equipment and appliances.
External Works	Roads, footpaths, drainage, fences, gates, boundary walls, street furniture, landscaping and external lighting.

Depreciation is provided on a straight line basis in order to write down to residual value over expected useful economic lives. Depreciation is not charged on land, assets awaiting disposal or assets under construction (until brought into use).

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful life
Buildings	40 years
Temporary Buildings	10 – 20 years
Plant and Equipment	3 – 25 years
Motor Vehicles	10 years
Computers	3 – 10 years
Intangible Assets	5 – 15 years

1.5 Inventories

Consumable inventory is stated at the lower of cost and net realisable value. Work in progress is valued at the lower of cost of professional time plus related laboratory overhead and net realisable value.

The Agency hold exhibits on behalf of a third party, these exhibits are not included in the financial statements.

1.6 Leases

Leases are classified as operating lease contracts whenever the terms of the lease do not transfer substantially all the risks and benefits of ownership to the lessee. Rentals paid under operating leases are charged to operating costs on a straight-line basis over the term of the lease.

1.7 Employee benefits

Under IAS 19 an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. The Agency has therefore recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities.

1.8 Early departure costs

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age.

The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes in the year. The total cost of these programmes is recognised in the year the decision is taken.

1.9 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing and/or amount at the statement of financial position date, on the basis of best estimate of expenditure required to settle the obligation.

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age and in some cases for the lifetime of the retired staff member and his/her spouse. For all new early retirement cases, the Agency provides in full for the cost of meeting pensions up to normal retirement age. The total cost is recognised in the year the decision is taken.

Injury on duty awards – life expectancy assumption

Benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to FSNI are payable to former employees for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and also on the estimated life expectancy of these pensioners.

1.10 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Agency 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.

1.11 Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Agency is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Agency: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Fees, levies and charges

This principally comprises fees and charges for services provided on a full cost basis to external customers as well as public repayment work. Revenue from fees, levies and charges is recognised over time as the services are rendered based on either a fixed price or an agreed rate.

Sale of goods and services

Revenue from the sale of goods is recognised either:

- At the point in time when the customer obtains control of the goods, which is generally at the time of delivery; or,
- Over time as the services are rendered based on either a fixed price or an agreed rate.

Other operating income

Other operating income is income which relates directly to the operating activities of the Agency. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the FReM, is treated as operating income.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

1.12 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 property, plant and equipment and intangible assets. VAT is recoverable on a departmental basis.

1.13 Segmental reporting

In line with the provisions of IFRS 8 the Agency does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments. This conclusion is based on the Agency's current format of internal management reporting to the Agency's Leadership Board, who consider financial performance at the Agency level.

1.14 Programme expenditure

The statement of comprehensive net expenditure for the Agency only includes programme costs. The definition of programme costs is set by DoF. Programme costs reflect non-administration costs, including payments of grants and compensation, and other disbursements, as well as certain staff costs where they relate directly to service delivery.

1.15 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes (NI). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pensions Schemes (PCSPS (NI)) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.16 Notional costs

Some of the costs directly related to the running of the Agency are borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

1.17 Insurance

Only insurance costs in respect of motor vehicles are charged to the statement of comprehensive net expenditure. No insurance is in place against fire, explosion, common law, third party and similar risks.

1.18 Research and development

Expenditure on research is not capitalised, but expensed as it occurs. Expenditure on development is capitalised if it meets the criteria specified in IAS 38. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

1.19 Corporation Tax

As an On-Vote Agency of a government department, the Agency is not liable to pay Corporation Tax.

1.20 Financial instruments

1.20.1 Recognition and de-recognition of Financial assets and Financial liabilities

Financial assets and liabilities are recognised when the Agency becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the Agency no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

1.20.2 Financial assets

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount less provision for impairment less provisions for doubtful receivables. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Impairment of financial assets

The Agency assesses at each statement of financial position date whether a financial asset or group of financial assets are impaired. Where there is objective evidence that an impairment loss has arisen on assets carried at amortised cost, the carrying amount is reduced with the loss being recognised in the statement of comprehensive net expenditure.

1.20.3 Financial liabilities

Trade and other payables

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, less provision for impairment.

1.21 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Agency's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. There are no material accounting estimates or judgements made by the Agency in preparing these accounts.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) – Depreciation of property, plant and equipment

Depreciation is provided in the Accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.4.

(ii) – Impairment of property, plant and equipment

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

1.22a Accounting standards, interpretations and amendments to published standards and FReM

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency's accounting periods beginning on or after 1 April 2019 or later periods, but which the Agency has not adopted early. The Agency considers that these are not relevant or material to its operations.

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

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency's accounting periods beginning on or after 1 April 2020 or later periods, but which the Agency has not adopted early. Other than as outlined below, the Agency considers that these Standards are not relevant or material to its operations.

Standard	IFRS 16 <i>Leases</i> (replaces IAS 17 <i>Leases and related interpretations</i>)
Effective date	January 2019 (EU endorsed 31 October 2017)
FReM application	2021-22
Description of revision	<p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 <i>Financial Instruments</i>, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p>
Comments	IFRS 16 <i>Leases</i> replaces IAS 17 <i>Leases</i> 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 2021.

1.22c Financial Reporting – future developments

The Agency has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations from the 2018-20 Annual improvement cycle, and projects where

standards, amendments or interpretations are in development. The Agency considers that these changes are not relevant or material to its operations.

1.23 Prior year restatement

2018-19 figures have been restated to reflect changes made to account code mapping by the DoJ as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used.

2 Summary of non-cash costs

	2019-20	2018-19
	£000	Restated £000
Purchase of goods and services	53	71
Depreciation and impairment charges	2,061	2,038
Finance expense	80	40
Provisions expense	298	16
Notional Income	(1)	-
	2,491	2,165

3 Programme expenditure

		2019-20	2018-19
		£000	*Restated £000
	Note		
Staff costs**			
Wages and salaries		5,790	5,595
Social security costs		595	579
Other pension costs		1,674	1,268
		8,059	7,442
Purchase of goods and services			
Accommodation, maintenance and utilities		907	999
IT, communications and office services		344	305
Consumables, equipment and transport costs		1,330	1,023
Contracted out and managed services		1,065	1,217
Professional and consultancy services		351	279
Rentals under operating leases		178	177
Staff related costs		245	285
Other		76	87
		4,496	4,372
Non-cash items:			
Loss on disposal of non-current assets		1	-
Auditors' remuneration and expenses		18	16
Other programme notional costs		30	30
Increase in impairment for trade receivables	10	4	25
		53	71
		4,549	4,443
Depreciation and impairment charges			
Property, plant and equipment	5	1,617	1,478
Intangible assets	6	444	539
Revaluation of non-current assets	5, 6	-	21
		2,061	2,038
Provisions expense			
Provided in year	12	298	16
Written back in year	12	-	-
		298	16
Finance expense	12	80	40
Total Programme expenditure		15,047	13,979

*2018-19 figures have been restated to reflect changes made to account code mapping by the DoJ as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used.

**Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

4 Income

In the periods set out below, only one customer accounted for greater than 10% of the Agency's total revenues.

	2019-20	2018-19
	£000	£000
Revenue from contracts with customers		
Police Service of Northern Ireland	9,605	9,315
Intra-departmental income	639	702
Other public sector customers	771	576
Non-public sector customers	50	29
	11,065	10,622
Notional income	1	-
Total operating income	11,066	10,622

5 Property, plant and equipment

	Land	Buildings	Vehicles Plant & Machinery	Information Technology	Assets Under Construction	2019-20 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2019	300	8,951	16,637	2,137	-	28,025
Additions	-	-	721	110	-	831
Disposals	-	-	(180)	(62)	-	(242)
Transfers and reclassification	-	(1,764)	1,764	1	-	1
Revaluation released to SOCNE	-	-	-	-	-	-
Revaluation	-	296	260	1	-	557
At 31 March 2020	300	7,483	19,202	2,187	-	29,172
Depreciation						
At 1 April 2019	-	2	6,604	1,876	-	8,482
Charged in year	-	285	1,213	119	-	1,617
Disposals	-	-	(179)	(62)	-	(241)
Transfers and reclassification	-	(36)	36	-	-	-
Revaluation released to SOCNE	-	-	-	-	-	-
Revaluation	-	8	78	1	-	87
At 31 March 2020	-	259	7,752	1,934	-	9,945
Carrying amount at 31 March 2020	300	7,224	11,450	253	-	19,227
Carrying amount at 31 March 2019	300	8,949	10,033	261	-	19,543
Asset financing:						
Owned	300	7,224	11,450	253	-	19,227
Carrying amount at 31 March 2020	300	7,224	11,450	253	-	19,227

A full independent valuation of buildings was carried out by the Land and Property Services at 31 December 2018 in accordance with the Valuation Standards (8th edition) of the Royal Institution of Chartered Surveyors. The valuation was on a Depreciated Replacement Cost basis. Property, plant and equipment are adjusted to their current value each year by reference to the appropriate indices compiled by the Office for National Statistics. The Agency owns all of its assets and has no finance leases or PFI contracts.

5 Property, plant and equipment (continued)

	Land	Buildings	Vehicles Plant & Machinery	Information Technology	Assets Under Construction	2018-19 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2018	226	9,071	16,729	2,264	-	28,290
Additions	-	(2)	847	98	-	943
Disposals	-	(155)	(591)	(231)	-	(977)
Revaluation released to SOCNE	-	(217)	-	-	-	(217)
Revaluation	74	254	(348)	6	-	(14)
At 31 March 2019	300	8,951	16,637	2,137	-	28,025
Depreciation						
At 1 April 2018	-	1,197	7,212	1,986	-	10,395
Charged in year	-	238	1,123	117	-	1,478
Disposals	-	(155)	(591)	(231)	-	(977)
Revaluation released to SOCNE	-	(196)	-	-	-	(196)
Revaluation	-	(1,082)	(1,140)	4	-	(2,218)
At 31 March 2019	-	2	6,604	1,876	-	8,482
Carrying amount at 31 March 2019	300	8,949	10,033	261	-	19,543
Carrying amount at 31 March 2018	226	7,874	9,517	278	-	17,895
Asset financing:						
Owned	300	8,949	10,033	261	-	19,543
Carrying amount at 31 March 2019	300	8,949	10,033	261	-	19,543

6 Intangible assets

	Software Licences £000	Software £000	Assets Under Construction £000	2019-20 Total £000
Cost or valuation				
At 1 April 2019	219	4,205	-	4,424
Additions	-	62	-	62
Disposals	(26)	-	-	(26)
Revaluation released to SOCNE	-	-	-	-
Revaluation	-	1	-	1
At 31 March 2020	193	4,268	-	4,461
Amortisation				
At 1 April 2019	180	681	-	861
Charged in year	30	414	-	444
Disposals	(26)	-	-	(26)
Revaluation released to SOCNE	-	-	-	-
Revaluation	-	1	-	1
At 31 March 2020	184	1,096	-	1,280
Carrying amount at 31 March 2020	9	3,172	-	3,181
Carrying amount at 31 March 2019	39	3,524	-	3,563
Asset financing:				
Owned	9	3,172	-	3,181
Carrying amount at 31 March 2020	9	3,172	-	3,181

Intangible assets relate to software and licences that are adjusted to their current value each year by reference to appropriate indices compiled by the Office for National Statistics.

6 Intangible assets (continued)

	Software Licences £000	Software £000	Assets Under Construction £000	2018-19 Total £000
Cost or valuation				
At 1 April 2018	216	4,035	-	4,251
Additions	3	147	-	150
Disposals	(2)	(13)	-	(15)
Revaluation released to SOCNE	-	-	-	-
Revaluation	2	36	-	38
At 31 March 2019	219	4,205	-	4,424
Amortisation				
At 1 April 2018	149	181	-	330
Charged in year	32	507	-	539
Disposals	(2)	(13)	-	(15)
Revaluation released to SOCNE	-	-	-	-
Revaluation	1	6	-	7
At 31 March 2019	180	681	-	861
Carrying amount at 31 March 2019	39	3,524	-	3,563
Carrying amount at 31 March 2018	67	3,854	-	3,921
Asset financing:				
Owned	39	3,524	-	3,563
Carrying amount at 31 March 2019	39	3,524	-	3,563

7 Financial instruments

As the cash requirements of the Agency are met substantially through either income from other government bodies or the estimates process, the Agency is not exposed to any material credit or liquidity risk. Other than financial assets and liabilities which are generated by day-to-day operational activities the Agency holds no financial instruments. The Agency is not exposed to any material foreign exchange risk and substantially all invoices are paid in sterling.

8 Inventories

	2019-20 £000	2018-19 £000
Consumable inventory	56	56
	56	56

The cost of inventories recognised as an expense in the statement of comprehensive net expenditure amounted to £0.962m (2018-19: £0.822m).

9 Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April	639	783
Net changes in cash and cash equivalent balances	594	(144)
Balance at 31 March	1,233	639

The following balances at 31 March are held at:

Commercial banks and cash on hand	1,233	639
Balance at 31 March	1,233	639

10 Trade receivables, financial and other assets

	2019-20 £000	2018-19 £000
Amounts falling due within one year		
Trade receivables	162	55
Other receivables	3	19
Prepayments and accrued income	392	317
	557	391

Trade receivables are stated net of the following impairment:

	2019-20 £000	2018-19 £000
Balance at 1 April	28	3
Increase in impairment	4	25
Provision utilised	-	-
Balance at 31 March	32	28

11 Trade payables, financial and other liabilities

	2019-20 £000	2018-19 £000
Amounts falling due within one year		
VAT	86	67
Trade payables	70	198
Other payables	663	608
Accruals and deferred income	2,288	2,195
	3,107	3,068

12 Provisions for liabilities and charges

	2019-20			2018-19	
	Injury Award £000	Holiday Pay £000	Total £000	Injury Award £000	Total £000
Balance at 1 April	222	-	222	176	176
Provided in the year	-	298	298	16	16
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	(10)	-	(10)	(10)	(10)
Borrowing costs	80	-	80	40	40
Balance at 31 March	292	298	590	222	222

Analysis of expected timing of discounted flows

	2019-20 £000	2018-19 £000
Not later than one year	9	10
Later than one year and not later than five years	337	39
Later than five years	244	173
Balance at 31 March	590	222

Injury awards

All benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to FSNI are charged to FSNI by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. An estimated life expectancy of 87 years has been applied. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards, and also on estimated life expectancy of these pensioners.

Holiday Pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. Due to delays in relation to the Covid-19 situation, it is expected that this will not be heard until 2021 but could result in a decision which either reduces the period of liability or confirms the full period back to 1998. The 2019-20 Holiday Pay provision has been estimated by NICS HR and covers the period from 1998 to 31 March 2020. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- The appeal to the Supreme Court (as detailed above);
- Lack of accessible data for years previous to 2011 and for some groups of staff beyond 2011;
- Ongoing negotiations with Trade Unions;

- A reliable estimate for the pension element is not yet available so this has not been factored into the provision; and
- The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions (NI). Taxation issues are still under discussion with HMRC so the position is subject to change.

13 Leases

Operating leases

£0.178 million (2018-19: £0.177 million) was included as an expense on operating leases in the Statement of Comprehensive Net Expenditure.

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

	2019-20	2018-19
	£000	£000
Obligations under operating leases comprise:		
Buildings:		
Not later than one year	371	371
Later than one year and not later than five years	880	1,451
Later than five years	-	-
	1,251	1,822

14 Capital commitments

	2019-20	2018-19
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these Accounts:		
Property, plant and equipment	-	-
	-	-

15 Other financial commitments

The Agency has not entered into any other non-cancellable contracts at 31 March 2020 (31 March 2019: £Nil).

16 Contingent liabilities disclosed under IAS 37

Listed below are the Agency's contingent liabilities that have not been recognised as provisions because their existence will only be confirmed by the occurrence of one or more uncertain future events, not wholly within the Agency's control.

Damages claims

These cases are being defended by the Agency and the settlement date and amount payable is unknown.

17 Related party transactions

Forensic Science Northern Ireland is an Executive Agency of the Department of Justice (DoJ). During the year, the Agency had various material transactions with the State Pathologist's Department (part of the DoJ Core Department) and Northern Ireland Courts and Tribunals Service (an Executive Agency within the Department).

The Agency also had material transactions with the Police Service of Northern Ireland for which the DoJ is regarded as the parent Department. In addition, the Agency has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with the Public Prosecution Service and HM Revenue and Customs.

No Leadership Board member, key manager or other related parties has undertaken any material transactions with the Agency during the year.

18 Third party assets

FSNI did not hold any third party assets during 2019-20 (2018-19: Nil).

19 Events after the reporting period

Other than as noted below, there were no events after the reporting period that required disclosure.

Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020

These Regulations came into operation on 24 April 2020 and allows those workers for whom it was not reasonably practicable to take annual leave as a result of the pandemic to carry over up to four weeks of annual leave into the next two leave years. Any exemption will apply only to circumstances where it was not reasonably practicable for workers to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by the Agency. It is not possible for the Agency to give a reasonable estimate of the impact at this time.

FSNI roof issue

FSNI are currently located at the Seapark site near Carrickfergus. The Agency occupy a mix of accommodation on the site including a custom built high care laboratory building (Locard), several portacabins and part of a converted cigarette factory. FSNI were informed by their landlord on 29th June 2020 that following the survey of a roof on a neighbouring building on site there was potentially a health and safety risk with the structure of the factory roof. As a precautionary measure FSNI temporarily closed their building and restricted access. Following an initial survey the laboratory areas in the building were quickly reopened thereby limiting the impact on service delivery. The FSNI roof survey report was received on 28 August 2020 and following some Health & Safety works some minor areas of the building are now accessible. The remaining teams have been moved to temporary accommodation on site where possible.

There is currently some uncertainty regarding the longer term future for the building and as such the value of some of the non-movable non-current assets located within the building may be overstated in the accounts.

The Agency has carried out a detailed exercise to identify those assets whose value may be subject to uncertainty and are content that any impact would not be material to the 2019-20 accounts. Therefore on that basis no adjustments have been made to the 2019-20 accounts.

Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 21 October 2020.



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