

Annual Report and Accounts
2014 - 2015

Forensic Science Northern Ireland

Annual Report and Accounts for the year ended 31 March 2015

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and Accounts Act (Northern Ireland) 2001
by the Department of Justice

on
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Chief Executive's Summary

I am pleased to present the Annual Report and Accounts of Forensic Science Northern Ireland (FSNI) for the year ending 31 March 2015.

This has been another very busy year for the Agency, with operational demand levels high in many areas whilst, at the same time, major development projects under the Transformation Programme were underway which competed for the time and attention of staff, both scientific and administrative. Despite this, FSNI made good progress on its published business plan targets as outlined later in this annual report.

Given FSNI's role in the end-to-end justice process, changes made internally also require close integration with key stakeholders such as the Police Service of Northern Ireland (PSNI), the Northern Ireland Courts and Tribunals Service (NICTS) and the Public Prosecution Service (PPS). There is a recognised need to improve the flow of data between the various justice organisations so that forensic reports are appropriately designed and staged to the differing needs at the various phases of the investigatory and prosecutorial processes. These issues continue to be addressed by the Agency, within both the Indictable Cases Pilot and FSNI's Service Improvement Project (SIP), a component of our Transformation Programme.

The Indictable Cases Pilot, coordinated by the DOJ, commenced in the last quarter of the year, involving all the relevant Criminal Justice Organisations, including FSNI. The pilot is aimed at reducing unnecessary delays in the end-to-end justice process, including through the use of early guilty pleas. FSNI has participated fully in the pilot (which is still ongoing) and has successfully adapted its progression processes in the cases concerned.

Under SIP, the Agency further progressed work to streamline all its processes and tailor the depth of examinations and analyses to meet the urgent needs of investigations and the evidential needs of the case/court. Some significant benefits were realised in year, for example in the process time for Drugs analyses and more will be seen in the coming year.

Also under the Transformation Programme, construction continued on the new high care laboratory (a capital investment of £13.8 million) to be known as the Locard Building, in honour of the founding father of forensic science, Edmond Locard, who coined the phrase, "Every contact leaves a trace". The new laboratory is designed for the highly efficient recovery and analysis of trace evidence, including DNA, under strictly controlled environmental conditions. The project remains on target, with the building expected to be accredited and fully operational during 2015-16.

The second major capital investment (over £3 million) under Transformation is the new integrated case management system, Perseus, which saw good progress in its implementation during the year. It too will become operational during 2015-16.

Locard, Perseus and SIP are together designed to improve the responsiveness, capacity, capability and efficiency of the Agency, which will be essential if we are to meet the service requirements of the Criminal Justice System in this time of pressurised public expenditure.

FSNI has again maintained its quality accreditation under the ISO17025:2005 standard and has extended its already wide scope of accreditation to include new techniques, including the newly acquired High Resolution Mass Spectrometers, which bring advanced capability to the analysis of drugs and toxicology, as well as explosives.

Science, by its nature, cannot stand still and the Agency has continued during the year to strengthen its management of Research & Development, through its Science and Quality Improvement Board (SQIB). Projects have progressed well (often in partnership with external organisations) on a range of topics, including mobile advanced detection equipment for traces of drugs and explosives and enhanced evidence recovery and interpretation in rape and sexual assault cases. The Agency was, during the year, the first in the world to deploy bioluminescence for the near-instant detection of background DNA.

The public sector fiscal pressures intensified during the year, requiring in-year savings to be made. The income from our main customer (the PSNI) is set to fall significantly in the coming years at a time when we will be migrating to the Locard building, implementing Perseus and other major changes, whilst a significant number of staff are expected to leave under the NICS Voluntary Early Severance scheme (VES). Whilst this is a challenging period for the Agency, as it is for most civil and public service organisations, we are fortunate that we are already implementing the Transformation Programme which will start to realise its main benefits immediately after the transitional year of 2015-16, during which the VES scheme will impact. In anticipation of VES, during this year we have accelerated the programme of cross-skilling and succession planning of our scientific staff, most of whom now have competence in two or more separate forensic specialisms. This will enhance our ability to respond with greater agility to the surges in demand for particular services that arise due to the unpredictable nature of crime.

Such vagaries were highlighted during the year by greatly increased levels of demand for crime-related Toxicology, which had a knock-on effect on turnaround times. In addition to investing, as mentioned earlier, in advanced analytical instrumentation, we have moved staff internally and begun training them up to bolster our capacity in Drugs and Toxicology.

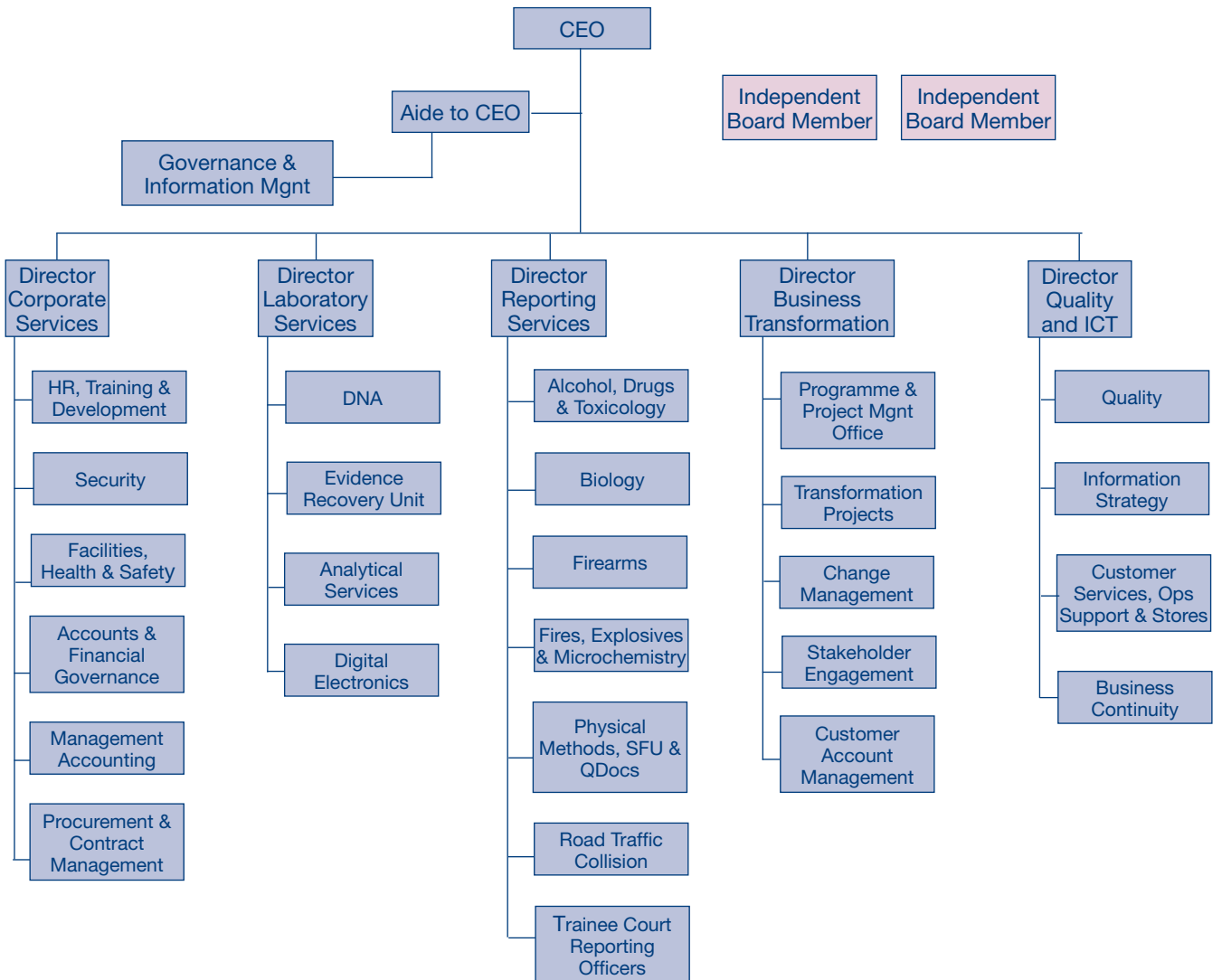
Despite the sometimes traumatic nature of the incidents we help investigate, FSNI has one of the lowest sick absence rates in the NICS. It also, during the year, was awarded Bronze status following assessment by Investors in People. These facts, together with the attendance by many FSNI scientists at crime scenes and road traffic accidents at the most anti-social of hours, are indicators of the level of commitment and professionalism exhibited by the Agency's staff, both scientific and administrative.

As I state each year, and mean it, I am very grateful to all of the staff for their professionalism, dedication, hard work and skill, during yet another very busy and demanding year.



S Brown
CHIEF EXECUTIVE
15 June 2015

Forensic Science Northern Ireland Structure 2014 - 15



Strategic Report

Background information

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

Approximately 91% of the Agency’s work originates from the PSNI and reflects crime trends and policing priorities, namely national security, serious harm and community confidence.

The forensic investigation of serious crime benefits increasingly from the constant advances in forensic science and in particular from FSNI’s ability to integrate a multi-disciplinary approach to evidence recovery and interpretation. It is much more difficult than a decade ago for criminals to avoid leaving trace evidence at scenes. In the case of DNA, for example, just a few human cells are often sufficient for an identification.

Address of FSNI registered office

Forensic Science Northern Ireland
151 Belfast Road
Carrickfergus
BT38 8PL

Strategies and objectives

The Agency uses the Strategy Map and Balanced Scorecard methodology for its business planning, monitoring and reporting. The Strategy Map relevant to this report (which shows at a high level the connectivity between the four perspectives on the Agency) is shown on the next page.

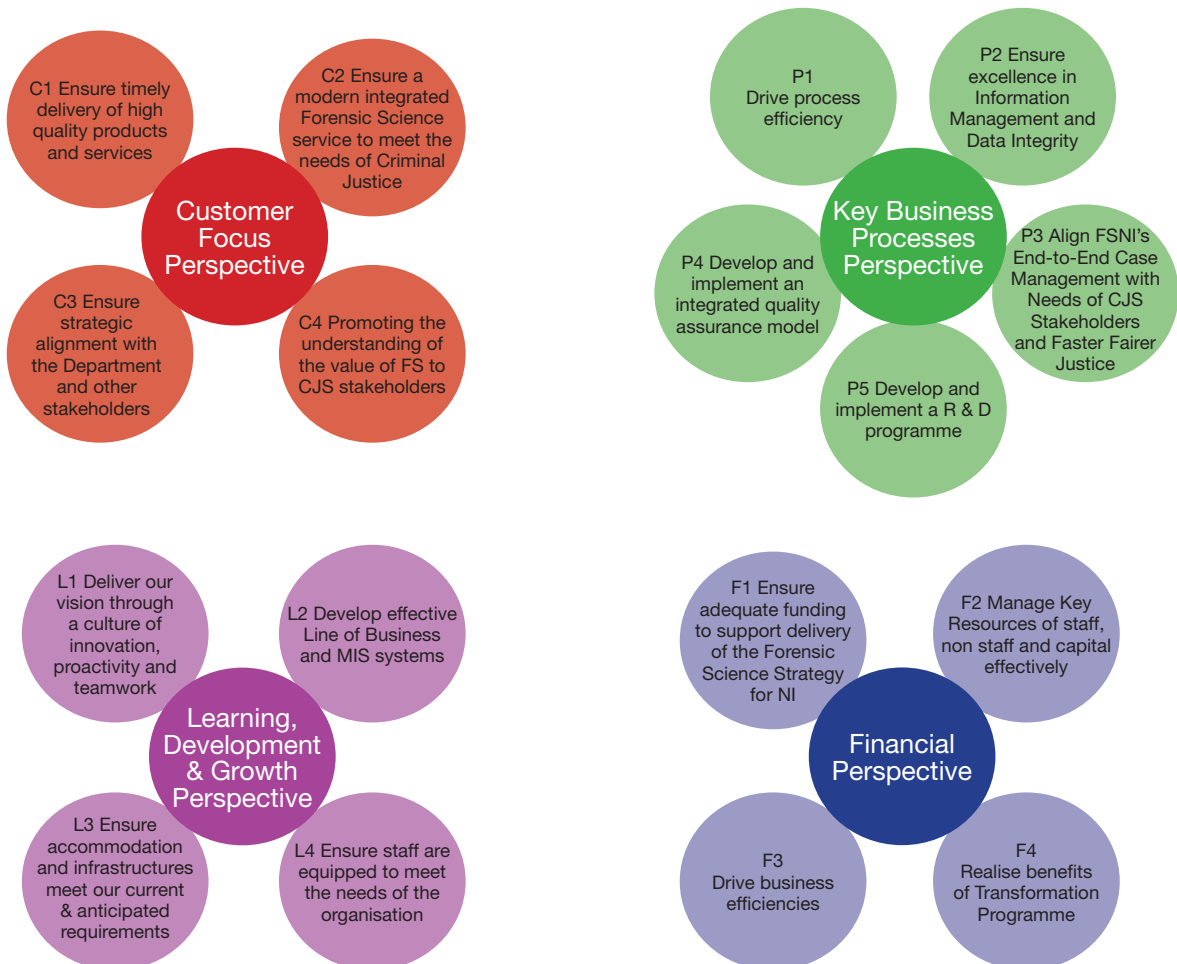
Strategy Map 2013 - 2016

Vision: To be recognised as a centre of excellence of integrated forensic science services



Mission: Effective impartial forensic science supporting faster fairer justice

Corporate Goal: To deliver an impartial and comprehensive service which efficiently meets the requirements of the NI Forensic Science Strategy



Agency vision

“To be recognised as a centre of excellence for integrated forensic science services”.

The Agency’s vision and mission statement 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 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

“Effective, impartial forensic science supporting faster fairer justice”.

This mission is realised through:

- a scientific support service for the PSNI in the investigation of crime;
- scientific support for the work of the Office of the Police Ombudsman for Northern Ireland (OPONI);
- scientific advice for the PPS and the legal profession;
- objective expert testimony to the Courts;
- training in the effective and efficient application of forensic science; and
- an analytical support service for the State Pathologist’s Department (SPD).

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.

Directors & management team

The Chief Executive is supported in his responsibilities for corporate governance and strategic direction by a Leadership Board (LB). The LB comprises five Executive Directors: Reporting Services; Laboratory Services; Quality, ICT & Customer Services; Business Transformation and Corporate Services. The LB also includes two Independent Board Members (IBMs), the Finance Manager and the Aide to the Chief Executive. The LB is supported by a dedicated Corporate Secretary.

The Leadership Board

During the course of 2014-15 the membership was as set out below -

S Brown	Chief Executive
P Barker	Director of Reporting Services
S Campbell	Director of Laboratory Services
A McElveen	Corporate Services Director
A Kirkwood	Quality & ICT Director
D Kennedy	Business Transformation Director
W McCollum	Finance Manager
D Ferguson	Aide to the Chief Executive (from January 2015)
C Dornan	Aide to the Chief Executive (until October 2014)
T Steenson	Independent Board Member (until March 2015)
P Leighton	Independent Board Member (until April 2014)
T Burgess	Independent Board Member (from April 2014)
C Warnock	Independent Board Member (from March 2015)

The LB is supported by the Agency's Delivery Team (DT). The DT consists of Directors, heads of section or Team Managers and is chaired by a Director. The DT's main purpose is to manage the day-to-day operation of the Agency to ensure that FSNI delivers on its Business Plan and the Corporate Balanced Scorecard objectives and targets within the available resources.

The Audit and Risk Committee (ARC) is chaired by one of the IBMs. The ARC supports the Chief Executive in his role as the Accounting Officer in his responsibilities for issues of risk, corporate governance, internal control and associated assurance and provides appropriate challenge. In addition to the two LB IBMs there was an Independent ARC Member appointed during the year.

G Morton	Independent ARC Member (from February 2015)
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Description of business

FSNI provides a wide range of services, under annual Service Level Agreements (SLAs) with criminal justice organisations including the PSNI, SPD, and NICTS. FSNI also provides services to other government agencies such as OPONI, PPS and HM Revenue & Customs 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 and 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 analyses 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 finger prints; explosives; microchemistry; firearms; fires; physical methods; biology; alcohol, drugs & toxicology; road traffic collisions; questioned documents and digital electronics.

The Agency integrates evidence recovery through the joint or sequential examination of individual exhibits for a range of evidence types i.e. fibres, blood, fingerprints, DNA. This helps optimise the exploitation of evidential opportunities, especially in serious and complex cases.

FSNI provides an on-call service to attend crime or fatal accident 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 prosecution.

The Agency is accredited by UKAS to the ISO 17025:2005 standard. The current scopes of accreditation for testing and calibration can be found on the UKAS website (www.ukas.com).

FSNI aims to contribute to public confidence in the justice system through rigorous adherence to scientific objectivity, strong governance, quality management and operational independence from other criminal justice organisations.

Development and performance of the business

Many of FSNI's specialisms continued to experience heavy caseload demand during the year, particularly in the Toxicology discipline. Whilst performance against SLA targets was generally good, over-submission in some areas has given rise to delay and the Agency has worked closely with customers to ensure that recovery plans were put in place to normalise the situation.

The Transformation Programme continued to progress during the year. The new DNA 17 technology introduced in December 2013 saw the technique deliver benefits in casework. The technology has superseded Low Copy Number DNA technology and an Expert System has been procured which will greatly assist with the statistical analysis of DNA profiles.

Construction continued on a new high care laboratory (a capital investment of just under £13 million). The new laboratory is designed for the recovery of trace evidence, including DNA, under strictly controlled environmental conditions. By the end of the year, the main structure of the building had been completed and the project remains on target, with the building expected to be fully operational during 2015/16.

Work has progressed on Perseus - a £3.8m investment to build an integrated software solution for case management, laboratory information management and quality management. Perseus will assist the progression of cases, the production of forensic outputs (including Reports) and the management of demand, capacity and productivity. Full implementation is expected in March 2016.

Under the Service Improvement Project (SIP), the Agency further progressed work to streamline processes and tailor the depth of examinations and analyses to meet the needs of the criminal justice system. SIP continues to deliver on increased capacity and turnaround times and several projects have completed this year resulting in improved turnaround times, increased capacity and revenue savings.

Because of the move to the new DNA17 technology and the introduction of the Criminal Justice Act (Northern Ireland) 2013, which stipulates the rules for the retention of DNA samples and profiles, the Agency upgraded and reconfigured the NI DNA Database. This project is on target for completion in line with Enactment.

Research and development

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. The Agency works to ensure the full commitment of management at all levels and the co-operation of all members of staff in order to meet its obligations under H&S legislation.

FSNI is represented on the DOJ H&S Committee and a FSNI H&S Committee meets regularly to review Agency-specific H&S matters. FSNI is also represented at the AFSP H&S Group, which discusses laboratory-focussed H&S related matters and shares best practice with other laboratories in the UK and Ireland. H&S is a standing agenda item at all FSNI monthly LB meetings and DT meetings, and a detailed H&S report is submitted to the Chief Executive to review and endorse annually.

Resources of the Agency

As a scientific organisation, delivering a broad range of forensic specialisms, under rigorous quality accreditation, the Agency depends greatly on having skilled, competent staff in each of the specialist areas. The majority of the scientific staff have attained graduate or post-graduate level qualifications as well as a rich mix of scientific and legal knowledge, practical experience and professional commitment. Most of the administrative staff are deployed in front line or operational support functions.

The Agency has continued to focus on internal measures to review and increase capacity and drive forward efficiency and effectiveness, including business process re-engineering, cross-skilling and training.

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, and the Locard contract has provided apprenticeships and opportunities under the "Steps to Work" programme and "Training for Success" programme for young people.

FSNI has also continued to work with Business in the Community. This year we supported an event with Sailability, a locally based charity established for the enjoyment of sailing for disabled people.

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.

FSNI is working towards the DOJ key targets which are:

- to reduce energy consumption and increase the use of energy from renewable sources;
- to reduce, re-use, recycle and compost and to cut the amount of waste going to landfill; and
- to ensure that where appropriate procurement contracts contribute to wider government sustainable development targets.

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

- safe disposal of all hazardous or environmentally damaging substances;
- recycling programme to include cardboard, paper, ICT equipment, toners, glass and plastics; and
- sustainable disposal of viable equipment.

Recycling in 2014-15 resulted in 84.4% of waste diverted from landfill.

The new Locard building has been designed from the outset to support sustainability (in addition to its operational benefits) and will meet the criteria for a BREAM¹ Excellence Award.

¹The Building Research Establishment Environmental Assessment Method

Regulation and legislation

The UKAS reassessment visit took place 23rd – 27th June 2014. This was the four year reassessment visit to review the continuing compliance of the laboratory with the requirements of ISO17025: 2005 for the testing and calibration activities detailed on the schedules of accreditation. In addition, two extensions to scope for the HRMS (explosives) and the HRMS (toxicology) methods were submitted for inspection. Following the assessment, accreditation was renewed for the testing and calibration schedules and accreditation was extended for the identification of trace explosives using of UPLC-HRMS and for the screening and confirmation of ninety six drugs in Blood and Urine using UPLC/HRMS.

Staff

At 31 March 2015, the total number of staff employed by the Agency was 219; 148 scientific and 71 administrative and support staff. We employed 2 Agency staff during the course of the year, however this did not extend beyond November 2014. The average number of full-time equivalent persons employed during the year was 211.

Staffing levels have reduced during the year. Vacant posts have not been filled in line with the NICS embargo on recruitment and promotion and in support of the Agency's efficiency plans to meet emerging budgetary pressures.

Off-Payroll engagements

There were no off-payroll engagements at an individual cost of over £58,200 per annum in place during 2014-15 (Nil 2013-14).

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 7.39 days (2013-14 7.04 days) average per staff member against the DOJ target of 9.7 days (2013-14 9.7 days), 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 annually a Staff Welfare and Well-Being Plan and during the 2014-15 year delivered a number of health prevention and promotion events.

Personal data

FSNI complies with the Data Protection Act (DPA) 1998 and had no breaches of the Act to disclose for 2014-15.

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.

Disability

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of the ability, qualifications and aptitude for the work.

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.

Complaints 2014-15

The complaints procedure was updated during the year to include a definition of customer concerns:-

- **Complaint:** A written or verbal expression of dissatisfaction for which redress is sought, by an identified complainant about FSNI or its staff expressed explicitly in relation to the service provided by FSNI. This can include all forms of written complaint e.g. letter, fax, e-mail etc.
- **Concern:** An informal complaint which requires a response but for which no form of redress is sought. This can be a written or verbal expression of dissatisfaction about FSNI or its staff not explicitly expressed as a complaint. In some cases, it may not be possible to identify the person raising the concern e.g. a negative media report.

During 2014-15 there were sixteen complaints/concerns recorded, as per the current definitions of complaints and concerns. Of these four were upheld.

Employee consultation

The Agency encourages the widest possible communication, consultation and staff involvement in its business development. This is defined within the terms of an Agency communication strategy, which identifies, for the individual and for the organisation, the communication standards that are expected to apply.

FSNI maintains regular communication and contact with managers and staff through meetings, team briefings, Chief Executive's staff briefings and circulars.

In December 2014 the Agency was assessed and retained accreditation as an Investor in People (IiP) organisation. In fact the Agency achieved IiP Bronze status, a notable achievement given that less than 12% of recognised organisations across the UK have been successful at this level.

FSNI has well established arrangements in place for formal and informal consultation with recognised trade union representatives. FSNI-specific matters are generally dealt with through local consultation and regular meetings, whilst more formal matters may be referred discussed through the DOJ Whitley Machinery.

Pensions

Details are provided in the Remuneration Report and Notes 1.8 and 3.2 of the Notes to the Financial Statements.

Company directorships and other significant interests

A register is maintained by FSNI that includes declarations of any significant interests held by LB members which may conflict with their management responsibilities. This register is available for public inspection upon request. During the year there were no such conflicts of interest declared by any LB member.

Contractual arrangements

FSNI adheres to Public Procurement Regulations and all contracts awarded have been subjected to auditable procurement procedures. Effective contract management is increasingly important and FSNI also aims for robust performance management, value for money and continuous improvement over the life of its contracts.

Payments to suppliers within ten workings days

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 2014-15 showed that on average 88.8% (2013-14: 87%) of invoices were paid within ten working days following receipt of a properly rendered invoice. The average for payment within 30 days was 94.4% (2013-14: 95.2%).

Post balance sheet events

There has been one material event which affects these accounts occurring after the year end. Details are included in Note 21 to the Notes to the Financial Statements.

Charitable donations

There were no charitable donations by the Agency during the financial year.

Financial Review

Operating income and expenditure

Total income achieved in the current year amounted to £10.996m (2013-14: £11.039m).

Capital

Capital expenditure movements are detailed in the notes to the financial statements. Capital purchases include IT, plant and equipment and furniture. Capital expenditure in 2014-15 totalled £11.787m (2013-14: £2.560m).

Financial position

The total net assets of the Agency at 31 March 2015 were £10.811m (2013-14: £4.233m).

Cash flow

The Agency's net decrease in cash and cash equivalents in the year is £2,243k (2013-14: increase £40k).

Financial risk

The Agency is mainly reliant on one main customer which accounts for 91% 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 agreed pressures that are agreed each year. This covered the deficit of £1.131m in 2014-15 (2013-14: £0.908m). The deficit in 2014-15 arises from 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.

Looking forward

Focus for 2015-16 will be on:

- delivery in the face of fiscal pressures;
- cross skilling staff to ensure that the Agency's corporate targets and Key Performance Indicators (KPIs) as agreed in Service Level Agreements (SLA's) with our key customers are achieved;
- continuing to deliver the Transformation Programme with its focus on achieving change and making the Agency more agile, responsive and efficient;

- working closely within the Forensic Science Strategy Group to support the implementation of the NI Forensic Services Strategy;
- delivering against the recommendations of the 2014 Criminal Justice Inspection Northern Ireland (CJINI) report on FSNI;
- enhancing cooperation with forensic services in Scotland and Republic of Ireland;
- managing submission levels in cooperation with customers;
- improving end-to-end case management;
- exploring viable opportunities for additional generating revenues outside of the N.I. Block vote;
- maintaining and extending the scope of Quality Accreditation under ISO 17025:2005 and conforming to the Regulator's Codes of Practice; and
- demonstrating Value for Money.

With its complex procurement needs and ongoing capital investments, its objective, independent role and its substantial data holdings, the Agency will continue to focus on good corporate governance and security, both within Business as Usual activities and the Transformation Programme.

Audit

The Financial Statements were audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office and is appointed by statute and reports to the Northern Ireland Assembly. His certificate and report is produced at pages 43 to 44.

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

The notional audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these Financial Statements, was £16k (2013-14: £16k).

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 the year 2014-15.



Operating Review

Performance against Key Performance Targets 2014-15

The following are the published targets taken from the Business Plan, under the four quadrants of the Balanced Scorecard.

Customer Focus

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
C1. Ensure timely delivery of high quality products and services	Improved turnaround times	1. Improve drugs performance to 90% of all routine cases to be reported within 100 days (March 2014 performance 81% in 100 days).	Not Achieved* Year Performance - 83%.
		2.1 95% of priority (urgent work) requests completed within agreed timescales.	Achieved
		2.2 95% of all reports issued within 135 days of final submission (excludes cases in excess of agreed SLA levels).	Achieved
		2.3 70% of all reports issued within 90 days of final submission (excludes cases in excess of SLA agreed levels).	Achieved
		3. 95% of cannabis only cases reported and issued within 30 days	Achieved
C.2 Ensure a modern integrated forensic science service to meet the needs of Criminal Justice	Introduce staged reporting in support of faster, fairer justice	1. Introduce staged reporting in 3 specialist areas by 31 March 2015.	Achieved - Elements of staged reporting have been introduced into all main business lines in FSNI.
		2. Improve average reporting throughput by 5% against a September 2013 baseline by 31 July 2014.	Achieved – however some slippage from July to year end as a result of cost savings. End of year position - 4.9%.
	Customer and Stakeholder consensus on future service development requirements	Agreed 3 year product development programme by 30 September 2014.	Achieved

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
C.3 Ensure strategic alignment with the Department and other Stakeholders	Deliver on actions agreed in the Celtic Forensic Partnership Action Plan	To develop a Celtic Forensic Partnership strategy and Action Plan by 30 June 2014	Achieved
	Deliver on actions agreed in the Interagency Plan	Deliver FSNI actions in the Interagency Plan	Achieved
C.4 Promoting the understanding of the value of Forensic Science to CJS Stakeholders	Agreed KPI Model for forensic value measurement	To engage with PSNI and other Justice Organisations to develop performance indicators for the value of forensic science services	Achieved
	Improved Stakeholder understanding	Deliver one multi-stakeholder education event (IMUP 9 months on – September 2014)	Achieved November 2014

* C1. During this year, the Agency continued to face substantial challenges in relation to Toxicology services. This was driven by a number of factors including the loss of experience, conflicting priorities and significant over demand for services. Turnaround times for toxicology services to the State Pathologist's Department were severely impacted, thus risking delay in Coroner's Courts. To normalise services, a recovery plan was developed and is being delivered as scheduled. It is expected that the backlog will be completely cleared by the end of May 2015.

The challenges in relation to Toxicology service impacted achievement against the key performance indicators agreed with the State Pathologist's Departments, however all key performance indicators for the PSNI were met. 95% of all reports were issued within 135 days, with 74% of these issued in 90 days or less (6596 out of 6966 reports).

The average turnaround time for crime cases was 70.4 days in quarter four of the 2014-15 year; a small improvement on the same time last year, noting in year reductions in operational budgets impacting available hours. With the inclusion of criminal justice intelligence cases, this average falls to around 42 days per case report. (In reporting this, FSNI reports in calendar days rather than working days eg 7 calendar days = 5 working days).

Key Business Processes

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
P1 Drive Process Efficiency	Key Agency processes reviewed, improvement opportunities identified and implemented	1. Lean Six Sigma (L6S) review of purchasing by 31 July 2014	Achieved
		2. L6S review of Reporting by 31 December 2014	Not Achieved *
P2 Ensure excellence in information management and data integrity	Information systems meet legislative and business requirements	1. Implementation of physical and electronic data decoupling by 30 November 2014	Achieved March 2015 **
		2. Delivery of a fully DNA 17 compliant NI database by 30 November 2014	Achieved March 2015 **
		3. ICT changes in place to facilitate DNA profile deletion and sample destruction by 31 December 2014	Achieved March 2015 **
	Information systems meet business requirements	1. Migration of data from old (CMS) to new (Perseus) case management system by 31 December 2014	Not Achieved ***
		2. Perseus operational by 31 March 2015	Not Achieved ***
P3 Aligning FSNI's end to end case management process with the needs of key Criminal justice stakeholders and Faster, Fairer Justice	Faster, Fairer Justice	By June 2014 to issue monthly management reports for review by the Leadership Board, monitoring Reporting Directorate performance on case progression and prioritisation, based on the following criteria:- Custody Status (Youth v Adult), PSNI priorities, PPS Listings and Judicial Requests.	Achieved

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
P4 To develop and implement an integrated quality assurance model	Extension of Scope of Quality Accreditation	Presented for extension of High Resolution Mass Spectroscopy (HRMS) in Explosives and Toxicology by 30 June 2014	Achieved February 2015 ****
		New herbal cannabis process on the scope presented for accreditation by 31 December 2014	Not Achieved ****
P5 To develop and implement and R&D Programme	R&D Plan in place based on Horizon Scanning	Preparation of R&D and Product Management Model by 30 June 2014	Achieved

* P1. Review not completed in year but due to be completed by June 2015.

** P2. As the custodian of the Northern Ireland DNA Database (NIDNAD), FSNI must have effective processes in place to comply with the Criminal Justice Act with regards to its DNA retention provisions.

The initiative aimed to deliver the software modifications necessary to support the changes in DNA sample/profile retention driven by the commencement of the Criminal Justice Act (NI) 2013, and the move to DNA17 profiling systems.

Within the scope of this initiative is the following:

- ICT changes to the Northern Ireland Database to facilitate profile deletion & sample destruction.
- Implementation of physical & electronic demographic data decoupling (DDC).
- Delivery of a fully DNA17 compliant database.

Although all 3 work streams did not meet the published target date of 30 November 2014 this was due to fundamental changes outside of FSNI's control regarding the use of the Police National Computer (PNC) to drive profile deletion and destruction requests.

Technical meetings continue with PSNI Biometrics Project Group, the National DNA Database and Police National Computer Services (PNCS) to design the end-to-end ICT changes brought about by the PSNI's strategic move to a 'PNC-owning Force'.

FSNI has delivered all components associated with DDC, profile deletion and DNA-17 by the 31st March 2015 and will be in full alignment with the PSNI's go-live date for October 2015.

FSNI has now commenced physical sample destruction as authorised by PSNI.

*** P2. The targets in relation to the full completion of the Perseus Project had to be rescheduled to 31 March 2016.

**** P4. Target was achieved for the extension to scope for the analysis of Explosives, and although the extension for scope in relation to Toxicology was presented on time, accreditation was not awarded until February 2015 due to the complexity and volume of additional work required.

The standard of supplementary work carried out by the Agency has resulted in an extension to scope being granted not only for screening but also the confirmation of 94 drugs. This has been a major in year challenge which has delivered a significant benefit for the Agency and the wider criminal justice system.

A decision was made in year to suspend a further application for extension in relation to herbal cannabis due to the disproportionate cost of accreditation.

Finance

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
F1. Ensure adequate funding to support delivery of forensic science for Northern Ireland	Resources are managed effectively so that Agency overall costs are in line with agreed budgets	Annual resource costs less than or equal to agreed budgets	Achieved
		Annual capital costs less than or equal to agreed budgets	Achieved
F2 Manage key resources of staff, non staff and capital effectively	Admin staff as % of revenues	By 31 March 2015, to reduce administration staff salary costs as a proportion of customer revenues by 5% against 2013/14 baseline	Not Achieved *
	Capital plans in place with prioritisation	3 year Strategic Capital Plan agreed by 31 August 2014	Achieved
F3 Drive Business Efficiency	Deliver in year efficiencies	Review of overtime expenditure to deliver 25% reduction in overtime by 31 March 2015	Not Achieved **
F4 Realise the benefits of the Transformation Programme	Deliver in year benefits of Transformation	Revenue generation strategy in place by 30 June 2014	Achieved September 2014 ***
		£300K incremental revenue by 31 March 2015	Not Achieved ***

* F2. The target to reduce administration salary costs as a proportion of customer revenue was not achieved during the year due to income levels reducing rather than rising which meant a larger salary drop was required.

** F3. The actual reduction in overtime during the year was 19.4%. The target was not achieved due to a spike in overtime in the final 3 months of the year due to casework pressures.

*** F4. The revenue generation strategy was not delivered until 30th September 2014. The target to increase income by £300k was not achieved due to public sector budget cuts.

Learning, Development and Growth

Corporate Objective	Measures of Success	Targets	Progress 31 March 2015
L1. Develop effective Line of Business and MIS Systems	Improved culture of innovation and proactive change	Culture Survey carried out by 30 September 2014	Achieved
		Change Management Awareness Training to Business Change Agents by 31 March 2015	Achieved
	Major Projects and Programmes integrated within governance structures properly resourced and skilled to ensure delivery	Four technical disciplines to present horizon scan and propose Scientific Development Plan for their area to the Science and Quality Improvement Board by 31 March 2015	Achieved
	Absence reduction target included in Agency Business Plans	Absence less than or equal to 7.5 days	Achieved
L2 Develop effective Line of Business and MIS systems	Management Information readily available to support organisational KPI's	Detailed Statement of Requirement (SOR) for management information, available through Perseus, agreed and delivered by 31 March 2015	Achieved
L3 To ensure accommodation and infrastructure meet current and anticipated requirements	Accommodation meets the needs of the Agency	New car park complete by 30 June 2014	Achieved
		LSAP Main Build construction start by 30 June 2014	Achieved
		LSAP building weather tight by 28 February 2015	Achieved
L4 Ensure staff are equipped to meet the needs of the organisation	Degree of multi-skilling in the organisation	1. Seven L6S Green belts certified by 31 March 2015.	Partly Achieved *
		2. Ten L6S Yellow Belts certified by 31 March 2015	Partly Achieved *

* L4. By 31 March 2015 five staff were certified Green Belts and a further five were certified Yellow Belts. The remaining staff in the target will receive certification during 2015-16.

Remuneration Report

Remuneration Policy

The Agency does not have a Remuneration Committee. The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

The Business Transformation Director was appointed under an Operational Partnership Agreement with the Strategic Investment Board for a fixed term of 3 years and the salary was approved by the Strategic Investment Board Remuneration Committee.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which 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:

<http://nicscommissioners.org/> .

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the LB members of FSNI.

Remuneration (Audited Information)

LB Members	2014-15				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits+ (£'000)	Total £'000
S Brown Chief Executive	80-85	-	-	19	95-100
P Barker Director of Reporting Services	55-60	-	-	19	75-80
S Campbell Director of Laboratory Services	45-50	-	-	10	55-60
A McElveen Director of Corporate Services	45-50	-	-	14	60-65
A Kirkwood Director of Quality	50-55	-	-	21	70-75
D Kennedy Director of Business Transformation **	60-65	-	£4,000	-	-
W McCollum Finance Director	35-40	-	-	14	50-55
D Ferguson Aide CEO (from 1 January 2015)	10-15 (full year equivalent 40-45)	-	-	1	10-15
C Dornan Aide CEO (until 3 October 2014)	20-25 (full year equivalent 40-45)	-	-	1	20-25
Band of Highest Paid Director's Total Remuneration	80-85				
Median Total Remuneration	26,911				
Ratio	2.99				

* 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 or any increase or decreases due to a transfer of pension rights.

** D Kennedy's salary is jointly paid by FSNI and the Strategic Investment Board (SIB). FSNI paid £60k-£65k and SIB paid £10k-£15k.

Remuneration (Audited Information)

LB Members	2013-14				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits* (£'000)	Total £'000
S Brown Chief Executive	80-85	-	-	14	90-95
P Barker Director of Reporting Services	55-60	-	-	11	65-70
S Campbell Director of Laboratory Services	50-55	-	-	4	55-60
A McElveen Director of Corporate Services	50-55	-	-	8	55-60
A Kirkwood Director of Quality	50-55	-	-	19	70-75
D Ferguson Acting Director of Business Development (from 1 Aug to 31 Dec 2013)	15-20 (full year equivalent 40-45)	-	-	9	25-30
D Kennedy Director of Business Transformation (from 15 Jul 2013) **	55-60 (full year equivalent 75-80)	-	£2,800	-	-
W McCollum Acting Finance Director (until 30 Jun 2013) Finance Manager (from 1 Oct 2013)	35-40 (full year equivalent 45-50)			10	45-50
C Dornan Corporate Secretary	40-45			14	50-55
Band of Highest Paid Director's Total Remuneration	80-85				
Median Total Remuneration	28,500				
Ratio	2.83				

* 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 or any increase or decreases due to a transfer of pension rights.

** D Kennedy's salary is jointly paid by FSNi and the Strategic Investment Board (SIB). FSNi paid £45k-£50k (full year equivalent £60k-£65k) and SIB paid £10k-£15k (full year equivalent £10k-£15k).

The information above has been audited. Only directors in post during the year are disclosed.

P Leighton retired from his role as IBM in April 2014 but did not receive any fees for 2014-15 (2013-14: £5k), he was replaced by T Burgess in April 2014. T Burgess received fees of £6k (2013-14: £Nil) in connection with his role. He also received expenses in relation to his role as IBM.

T Steenson, one of FSNIs IBMs, received expenses only in relation to his role as he holds a full time post within the Northern Ireland Civil Service. T Steenson retired from his role in March 2015 and was replaced by C Warnock in March 2015. C Warnock received fees of £1k (2013-14: £Nil) in connection with his role. He also received expenses in relation to his role as IBM.

Salary

'Salary' includes gross salary, overtime, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation.

This report is based on payments made by the Agency and thus recorded in these accounts. This total remuneration, as well as the allowances to which they are entitled, is paid by the Agency and is therefore shown in full in the figures above.

Benefits in kind

One LB member (D Kennedy) received benefits in kind during 2014-15 of £4k (2013-14 £2.8k), this was for life assurance for which the appropriate taxation was paid at source. None of the other LB members received benefits in kind during 2014-15 (2013-14 Nil).

Pay Multiples

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 2014-15 was £80-85k (2013-14: £80-£85k). This was 2.99 times (2013-14: 2.83) the median remuneration of the workforce, which was £26,991 (2013-14: £28,500).

In 2014-15 and 2013-14 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £80k to £16k (2013-14 £80k to £16k). 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.

Pension (Audited Information)

LB Members	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
S Brown Chief Executive	10-15 plus lump sum of 40-45	0-2.5 plus lump sum of 2.5-5	298	276	18	-
P Barker Director of Reporting Services	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5	387	355	14	-
S Campbell Director of Laboratory Services	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 0-2.5	235	218	6	-
A McElveen Director of Corporate Services	5-10	0-2.5	110	93	10	-
A Kirkwood Director of Quality	5-10	0-2.5	86	68	10	-
D Kennedy Director of Business Transformation	-	-	-	-	-	8,000
W McCollum Finance Manger	5-10	0-2.5	66	55	6	-
D Ferguson Aid to CEO (from 1 January 2015)	15-20 plus lump sum Of 55-60	0-2.5 plus lump sum Of 0-2.5	354	351	1	-
C Dornan Aid to CEO (until 3 October 2014)	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 0-2.5	255	243	2	-

The information above has been audited. Only directors in post during the year are disclosed.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). 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). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the Nuvos arrangement or they can opt for a partnership pension account. Nuvos 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 rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date.

Members who on 1 April 2012 were within 10 years of their normal pension age will 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 also 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 rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contributions are determined by the level of pensionable earnings. The employee contribution rates for the 2015-16 year before tax relief are as follows:

Annual pensionable earnings (full-time equivalent basis)	Members of classic	Members of premium, nuvos and classic plus
Up to £15,000	3.00%	4.60%
£15,001-£21,000	4.60%	4.60%
£21,001-£30,000	5.45%	5.45%
£30,001-£47,000	5.45%	5.45%
£47,001-£50,000	7.35%	7.35%
£50,001-£60,000	7.35%	7.35%
£60,001-£150,000	7.35%	7.35%
Over £150,001	8.05%	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 3% and 12.5% (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 0.8% 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 pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. Further details about the CSP arrangements can be found at the website. www.dfpni.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 CSP 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 with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to 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.



S Brown

CHIEF EXECUTIVE

15 June 2015

Statement of Accounting Officer's Responsibilities

Under section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel (DFP) 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 income and expenditure, application of resources, changes in taxpayers' equity 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 DFP, 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; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Department of Justice (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 Managing Public Money Northern Ireland published by the DFP.

Governance Statement 2014-15

1. Scope of responsibility

Forensic Science Northern Ireland (FSNI) is an Executive Agency of the Department of Justice (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 the public funds and departmental assets, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

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 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 in the Agency for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

3. Governance Framework

As Chief Executive, I am supported by the FSNI Leadership Board (LB). The LB comprises five Executive Directors: Reporting Services; Laboratory Services; Quality, ICT & Customer Services; Business Transformation; and Corporate Services. The LB also includes two Independent Board Members (IBMs), the FSNI Finance Manager and the Aide to the Chief Executive. The LB is supported by a dedicated Corporate Secretary.

The LB is supported by the Agency's Delivery Team (DT). The DT consists of heads of section or Team Managers and other senior managers and is chaired by a Director. The DT's main purpose is to manage the day-to-day operation of the Agency to ensure delivery of the business plan and the balanced scorecard objectives and targets within the resources available.

The Minister approves the Agency's Business Plan and regularly reviews the Agency's progress in achieving its objectives and key performance targets. These reviews follow the Quarterly Governance Review Meetings (QGRM) between the Department's Director of Justice Delivery and the Chief Executive. During the year, FSNI did not receive any Ministerial directions.

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

The membership of the FSNI ARC during 2014-15 has comprised of:

- Two IBMs (one as chair);
- One Independent ARC Member (from Feb 2015); and
- the Agency's Executive Directors.

The quorum consisted of the chair plus three of the Executive Directors.

Representatives from the Department's Justice Delivery Directorate and Internal Audit attended meetings of the ARC. A representative from the Northern Ireland Audit Office (NIAO) also attended. The LB, DT & ARC operate under agreed Terms of Reference, which are periodically reviewed.

Another key element of the Agency's governance framework is a professionally led Departmental Internal Audit function that works to Public Sector Internal Audit Standards, reviewing the overall arrangements for managing risk and that provides assurance and reports any matters of concern to the FSNI ARC. Assurance is also obtained from the NIAO who report to the ARC following the statutory audit of the Agency's Annual Report & Accounts.

The auditing of the Agency by Internal Audit 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 (UKAS) as part of the maintenance of accreditation to the quality standard ISO 17025:2005, plus an extensive programme of internal quality audits as well as collaborative exercises with other forensic science providers.

Assurance Statements are completed annually at Directorate level within FSNI. As part of the year-end preparations for 2014-15, all the LB members 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 and have been issued to all staff.

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:

- Custodian Accreditation Service (CAS) (in relation to the NI DNA Database);
- Criminal Justice Inspection Northern Ireland (CJI);
- Health and Safety Executive for Northern Ireland;
- Investors In People;
- Department of Finance and Personnel (DFP);
- DOJ Financial Services Division; and
- DFP Central Procurement Division.

The corporate governance framework within the Agency is in compliance with the Corporate Governance in Central Government Departments: Code of good practice NI 2013, issued by DFP. It is also in compliance with the 2005 Corporate Code of Governance.

4. Risk Management and internal control

The Accounting Officer has direct responsibility for the analysis and management of risk and works with the LB and his 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 each major project/programme also having its own specific register. The Corporate Risk Register is reviewed quarterly by the ARC, DT and LB as well as at the QGRMs with the sponsor Department. It helps ensure that the principle risks to the Agency and its work are identified, quantified, mitigated and addressed.

As part of the planning process, all senior managers who are also members of the DT, are asked to review their own business areas and assess the risks faced within their area of responsibility. The DT considers these operational risks and in line with strategic planning priorities, determines the high level risks that could affect achievement of the Department'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 DT for assurance that these are adequately addressed in the Risk Register.

The Agency aspires to an approach to risk management, which is mainstreamed within everyday work, where managers consider and continuously review risk as part and parcel 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.

Principal risks and uncertainties

The main risks to the Agency's business objectives are concerned with the five areas of:

- Financial pressures;
- Maintaining the quantity, depth and breadth of skills and competences needed for the capability and capacity of the Agency to deliver the required comprehensive range of integrated services;
- Actual or perceived operational failure in case integrity or case progression;
- Failure to deliver FSNI Transformation Programme;
- Failure to maintain governance and assurance levels.

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 ten occasions during 2014-15 with attendance by members as set out below, alongside attendance records for the ARC.

Title	Leadership Board	*Audit and Risk Assurance Committee
Chief Executive - S Brown	10/10	N/A
Director of Reporting Services - P Barker	8/10	3/4
Business Transformation Director - D Kennedy	10/10	3/4
Corporate Services Director - A McElveen	9/10	N/A
Director of Laboratory Services – S Campbel	10/10	2/4
Quality and ICT Director - A Kirkwood	8/10	3/4
Finance Manager – W McCollum	9/10	N/A
Independent Board Member - P Leighton (to April 2014)	1/1	N/A
Independent Board Member - T Steenson (to March 2015)	8/10	3/4
Independent Board Member - T Burgess (from April 2014)	7/10	4/4
Independent Board Member – C Warnock (from March 2015)	1/1	N/A
**Independent ARC Member – G Morton (from February 2015)	N/A	1/1
Aide to Chief Executive – D Ferguson (from Jan 2015)	1/3	1/1
Aide to Chief Executive - C Dornan (to Oct 2014)	5/5	2/2

*FSNI Audit and Risk Committee - FSNI Directors attend on a rotational basis

**ARC member only

The LB obtains management information from the case management system, the finance system and from several management reports. The LB obtains assurance on the quality of these documents as all are subject to internal audit review. An assessment of the LB effectiveness is conducted annually by the IBMs who review the LB Members' responses to the National Audit Office Board evaluation questionnaire.

Sponsor Department Review

As part of the Agency's governance arrangements, I met quarterly with the Agency's Departmental Sponsor at QGRMs. At these review meetings, I reported on the Agency's performance against key business plan targets and objectives. In addition, the following was reported and reviewed:

- information assurance;
- sick absence & prompt payment performance; and
- Health & Safety.

DOJ Governance

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 2014-15 financial year were not exceeded.

Assurance Statements

In 2014-15, an assurance statement was completed and signed by each Director.

Audit and Risk Committee (ARC)

The ARC met four times during the year and considered the following:

- risk management and the Risk Register;
- 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 management letters; and
- Internal Audit planning and strategy.

The ARC has met subsequent to the year-end to review and approved the final 2014-15 Annual Report & Accounts prior to sign-off by the Accounting Officer.

Internal and External Audit

The effectiveness of the governance framework has been informed by the reports produced by the 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 (including UKAS, CAS, CJINI, Investors in People (IIP), NFI, and FSNI's own internal programme of scientific quality audits, as well as external auditors and Internal Audit) a review of FSNI's "auditing landscape" was conducted with Internal Audit at the start of the year and a rolling five year audit plan agreed, to focus on filling any gaps and avoiding unnecessary duplication. This plan was reviewed by the ARC and Accounting Officer.

During 2014-15 the following audits were completed by Internal Audit::

- Conflict of Interest;
- Direct award contracts;
- Recruitment and succession planning; and
- Customer Accounts.

On the basis of internal audit work carried out, positive management action to address identified weaknesses, and assurances provided elsewhere, the Head of Internal Audit 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 Departmental Internal Audit, External Auditor, CJINI and others is regularly monitored by the LB and reviewed at ARC. Priority 1 and CJINI actions are reported to QGRM. During 2014-15 there have been 14 recommendations made as a result of Internal Audits. Of the 11 recommendations due by 31 March 2015, only one had not be completed. The remaining three are due in 2015-16. FSNI's own internal scientific Quality Audit programme, (consisting of approximately 100 internal quality audits), and the close out of resultant actions are reviewed monthly by the DT.

6. Significant Internal Control Problems

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.

7. 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 NAS, a Quality Internal Audit programme, a programme of collaborative blind trials with other providers and by the DOJ Internal Audit team operating to Government Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering technical, financial and non-financial systems over time.



S Brown
Chief Executive
15 June 2015

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of Forensic Science Northern Ireland for the year ended 31 March 2015 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Forensic Science Northern Ireland's affairs as at 31 March 2015 and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Management Commentary and Operating Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
2 July 2015

Forensic Science Northern Ireland

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15 £000	2013-14 £000
Programme costs			
Staff costs	3.1	7,957	7,859
Programme costs	4	4,170	4,088
Income	5	(10,996)	(11,039)
Net operating cost		1,131	908
Other comprehensive expenditure			
Items that will not be reclassified to Net Operating Costs:			
Net (gain)/loss on the revaluation of Property, Plant and Equipment	6	(32)	(134)
Net loss on the revaluation of Intangibles	7	-	1
Total comprehensive expenditure for year ended 31 March 2015		1,099	775

All income and expenditure is derived from continuing operations.

The notes on pages 56 to 77 form part of these accounts.

Statement of Financial Position as at 31 March 2015

	Note	2014-15 £000	2013-14 £000
Non-current assets:			
Property, plant and equipment	6	17,001	6,022
Intangible assets	7	195	61
Total non-current assets		17,196	6,083
Current assets:			
Inventories	10	217	313
Trade and other receivables	11	895	373
Cash and cash equivalents	12	-	700
Total current assets		1,112	1,386
Total assets		18,308	7,469
Current liabilities			
Cash and cash equivalents	12	1,543	-
Trade and other payables	13	5,884	3,196
Provisions	14	70	40
Total current liabilities		7,497	3,236
Non-current assets plus/ less net current assets/ liabilities		10,811	4,233
Taxpayers' equity:			
General fund		10,596	3,986
Revaluation reserve		215	247
Total taxpayers' equity		10,811	4,233



S Brown
Accounting Officer
15 June 2015

The notes on pages 56 to 77 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2015

	Note	2014-15 £000	2013-14 £000
Cash flows from operating activities			
Net operating cost		(1,131)	(908)
Adjustment for non-cash transactions	4	763	689
(Increase) Decrease in trade and other receivables	11	(522)	207
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure	11.2	28	(19)
Decrease/(Increase) in inventories	10	96	(59)
Increase in trade and other payables	13	2,688	1,029
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(651)	(995)
Use of provisions	14	-	-
Net cash inflow/(outflow) from operating activities		1,271	(56)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(10,994)	(1,498)
Purchase of intangible assets	7	(142)	(66)
Net cash outflow from investing activities		(11,136)	(1,564)
Cash flows from financing activities			
Funding from Parent		7,622	1,660
Net financing		7,622	1,660
Net (decrease)/increase in cash and cash equivalents in the period		(2,243)	40
Cash and cash equivalents at the beginning of the period	12	700	660
Cash and cash equivalents at the end of the period	12	(1,543)	700

The notes on pages 56 to 77 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balance at 31 March 2013		3,140	154	3,294
Changes in taxpayers' equity for 2013-14				
Net Assembly funding - drawn down		1,660	-	1,660
Net operating cost		(908)	-	(908)
Other comprehensive income		-	133	133
Non-Cash Adjustments				
Notional charges – auditor's remuneration	4	16	-	16
Notional charges – other	4	38	-	38
Movement in Reserves				
Transfer between reserves		40	(40)	-
Balance at 31 March 2014		3,986	247	4,233
Changes in taxpayers' equity for 2014-15				
Net Assembly funding - drawn down		7,622	-	7,622
Net operating cost		(1,131)	-	(1,131)
Other comprehensive income		-	30	30
Non-Cash Adjustments				
Notional charges – auditor's remuneration	4	16	-	16
Notional charges – other	4	41	-	41
Movement in Reserves				
Transfer between reserves	-	62	(62)	-
Balance at 31 March 2015		10,596	215	10,811

The General Fund serves as the chief operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The Revaluation Reserve records the unrealised gain or loss on revaluation of assets.

The notes on pages 56 to 77 form part of these accounts.

Notes to the Agency's Accounts

1 Statement of Accounting Policies

These financial statements have been prepared under section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001, in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel (DFP). 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 temporary buildings, plant and equipment, computers and motor vehicles, which are revalued annually using appropriate indices compiled by the Office for National Statistics.

Temporary buildings are subject to professional revaluation every five years by the Land and Property Services. In the intervening years, temporary 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 is in line with the Agency's capitalisation procedures.

1.3 Depreciation

Depreciation is provided on a straight line basis in order to write off the valuation, less any residual value, over their expected useful economic lives.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Temporary Buildings	10 - 20 years
Plant and Equipment	3 - 25 years
Motor Vehicles	10 years
Computers	3 - 10 years

Depreciation is not charged on assets awaiting disposal or assets under construction (until brought into use).

1.4 Operating Income

Operating income is income that relates directly to the operating activities of Forensic Science Northern Ireland in the provision of forensic services.

1.5 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 licences where expenditure is £1,000 or more. The assets are depreciated over the life of the licence. Depreciation is calculated on a straight line basis.

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.

1.6 Inventories

Consumable inventory is stated at the lower of cost and net realisable value. Work in progress

attributable to private casework 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.

1.7 Programme Expenditure

The statement of comprehensive net expenditure for the Agency only includes programme costs. The definition of programme costs is set by DFP. 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.

1.8 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.

1.9 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.

1.10 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.

1.11 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Agency's activities. Revenue is shown net of value-added tax.

The Agency recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

1.12 Insurance

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

1.13 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.

1.14 Taxation

These accounts are stated net of VAT. As a Non-Vote Agency of a Government Department, the Agency is not liable to pay Corporation Tax.

1.15 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.

1.16 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 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.

1.18 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.

There are no other contingent liabilities.

1.19 Financial Instruments

1.19.1 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.

1.19.2 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.

1.19.3 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.

1.20 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 1.3.

(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.

(iii) - Pension and other post retirement benefits

The Agency accounts for pension and other post retirement benefits in accordance with IAS 19. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates.

1.21a Accounting standards, interpretations and amendments to published standards and FReM - issued and effective in 2014-15 for the first time

The Agency has reviewed the standards, interpretations and amendments to published standards that became effective during 2014-15 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the Agency's financial position or results.

1.21b Accounting standards, interpretations and amendments to published standards not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Agency's accounting periods beginning on or after 1 April 2015 or later periods, but which the Agency has not adopted early. Other than as outlined in the table below, the Agency considers that these standards are not relevant to its operations.

Standard	IFRS 13 - Fair Value Measurement (new)
Description of revision	<p>IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise).</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements. The standard requires fair value be measured using the most reliable data and inputs available to determine the exit price for an asset / liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on - based on a hierarchy for input quality. Entities are required to use the most appropriate inputs available to them in determining fair value. The inference is that the higher the quality, the more appropriate the input.</p> <p>IFRS 13 requires additional disclosures where Level 3 inputs are used to assess fair value, to give readers an understanding of the sensitivity of the valuation to changes in those inputs.</p>
Effective date	1 January 2013 (EU adopted) - FReM 2015-16.
Comments	Although IFRS 13 is applied without adaptation, IAS 16 and IAS 38 have been adapted and interpreted for the public sector context to limit the circumstances in which a valuation is prepared under IFRS 13.
Standard	IAS 36 - Impairment of assets - recoverable amount disclosures (amendment)
Description of revision	This amendment, which seeks to address the implications of references to IFRS 13, modifies some of the disclosure requirements regarding measurement of the recoverable amount of impaired assets. It clarifies the scope of certain disclosures and removes burdensome and unintended disclosures requirements without reducing the relevance and understand-ability of the financial information.
Effective date	1 January 2014 (EU adopted) – with a view to include in the final version of the 2015-16 FReM.
Comments	To be considered by HM Treasury with the expectation that it will be applied when IFRS 13 is introduced in the FReM. Any adaptations or interpretations will follow due process and be included in the final version of 2015-16 FReM.

Financial Reporting - Future Developments

In addition to the changes identified above, there are a number of future developments that will impact the Agency including:

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
IFRS 15 - Revenue from Contracts with Customers (IAS 18 replacement - Revenue Recognition and Liabilities Recognition)	1 January 2017 (not yet EU adopted) but could be 1 January 2018. With a view to include in the 2017-18 FReM.	The disclosure objective of the new Standard is to establish the application principles required for entities to report useful information to the users of financial statements to better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The core principle recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Standard sets out five steps to recognise revenue and also includes requirements for accounting for contract costs.	The introduction of IFRS 15 is subject to analysis and review by HM Treasury and other Relevant Authorities. A work plan recently began to assess the impact on the public sector.
IFRS 9 - Financial Instruments (new)	1 January 2018 (not yet EU adopted). With a view to include in the 2018-19 FReM.	The objective of the new standard is to provide users with more useful information about an entity's expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date of financial instruments.	The introduction of IFRS 9 is subject to analysis and review by HM Treasury and other relevant Authorities. A work plan has recently started to assess the impact on the public sector.

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
IAS 17 Leases (replacement)	The IASB plans to issue the new Standard before the end of 2015. FReM inclusion will be subject to consultation.	The current proposals include the elimination of the current operating lease categorisation for virtually all leases. Instead, assets and liabilities will be recognised on a 'right of use' basis. Two possible exemptions are anticipated, one being for short leases (less than 1 year) and the second being for small value assets. The latest update emphasises that service contracts are not required to be capitalised on the balance sheet and that the new Standard will include accompanying guidance to help entities assess whether a contract is (or contains) a lease.	HM Treasury has continued to analyse this process including the project update and consideration of practical implications. HM Treasury and Relevant Authorities will review the implications and follow due process once there is a final Standard.
IAS 1 - Disclosure Initiative (amendment)	1 January 2016 (not yet EU adopted) With a view to include in the 2016-17 FReM.	These amendments encourage professional judgement to be used in determining what information to disclose in financial statements, and where and in what order information is presented in the financial disclosures. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.	HM Treasury and other Relevant Authorities will review the implications of this amendment and follow due process nearer to the EU adoption date. Any substantive changes to the FReM will follow normal due process.
IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation (amendment)	1 January 2016 (not yet EU adopted) With a view to include in the 2016-17 FReM.	This amendment prohibits revenue-based depreciation methods and generally presumes that such methods are an inappropriate basis for amortising intangible assets. This is because a revenue-based method reflects a pattern of economic benefits being generated from the asset, rather than the expected pattern of consumption of the future economic benefits embodied in the asset.	HM Treasury and other Relevant Authorities will review the implications of these changes and follow due process nearer to the EU adoption date. Any substantive changes to the FReM will follow normal due process.

The Agency has considered the remaining additional or revised accounting standards and new (or amendments to) interpretations contained within FReM 2015-16. The Agency considers that these changes are not relevant to its operations.

2 Statement of Operating Costs by Operating Segment

The Agency's operating segments are determined by the nature of the goods and services provided. This is split based on the provision of external forensic services and internal support services. Two further reportable segments have been identified and disclosed below in line with the requirements of IFRS 8.

	Forensic Services	Support Services	ERU	DNA	Health & Safety and Facilities	2014-15 Total
	£000	£000	£000	£000	£000	£000
Gross Expenditure	5,268	2,517	1,439	1,359	1,544	12,127
Income	(10,996)	-	-	-	-	(10,966)
Net Expenditure	(5,728)	2,517	1,439	1,359	1,544	1,131

	Forensic Services	Support Services	ERU	DNA	Health & Safety and Facilities	2013-14 Total
	£000	£000	£000	£000	£000	£000
Gross Expenditure	5,104	2,514	1,383	1,392	1,554	11,947
Income	(11,039)	-	-	-	-	(11,039)
Net Expenditure	(5,935)	2,514	1,383	1,392	1,554	908

Support services include Chief Executive's Office, business development, customer services, finance, human resources, Information, Communications and Technology (ICT), Laboratory Services Accommodation Project (LSAP) and Perseus.

The Evidence Recovery Unit (ERU) and Deoxyribonucleic Acid Unit (DNA) provide a high care evidence recovery service and DNA recovery service to the Agency.

Health & safety and facilities provide a support service to the Agency which includes, for example, H&S advice and planned preventative repairs and maintenance.

Income is only earned from sales of forensic goods and services. A breakdown of the sources of income is available in note 5. Income is not reported to management by operating segment.

3 Staff numbers and related costs

3.1 Staff costs

Staff costs comprise:

	Permanently Employed Staff	Others	2014-15 Total	2013-14 Total
	£000	£000	£000	£000
Wages and salaries	6,264	11	6,275	6,198
Social security costs	468	-	468	474
Other pension costs	1,214	-	1,214	1,187
Total	7,946	11	7,957	7,859

In addition to the staff costs above a further £497k (2013-14 £403k) has been capitalised for staff involved with capital projects.

3.2 Pension arrangements

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit scheme but, the Agency is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15 employers contributions of £1,206k (2013-14: £1,178k) were payable to the NICS pension arrangements at one of four rates in the range 18% to 25% (2013-14: 18% to 25%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 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 £8k (2013-14: £10k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2013-14: 3% to 12.5%) of pensionable pay. Employers also

match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £Nil (2013-14: £Nil), 0.8% of pensionable pay, were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

There are no contributions due to the partnership pension providers at the statement of financial position date and no contributions prepaid at that date.

3.3 Average number of persons employed

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

	2014-15	2013-14
	No	No
Senior Management	5	5
Caseworkers	140	139
Support Staff	58	55
Agency, temporary and contract staff	-	4
Staff engaged on capital projects	8	3
Total	211	206

4 Programme costs

	Note	2014-15 £000	2013-14 £000
Staff related costs		182	231
Rentals under operating leases		233	238
Accommodation costs		659	733
Office services		295	234
Contracted out services		264	230
Professional costs		197	139
Audit and accountancy fees		-	11
Consumables, materials and equipment costs		1,188	1,067
Non-capital purchases		39	62
Intra-departmental hard charges		215	338
EU Grant*		6	18
Other		129	98
Total cash costs		3,407	3,399
Non-cash items:			
Depreciation and amortisation			
Property, plant and equipment	6	691	564
Intangible assets	7	7	11
Revaluation of intangible assets		(1)	(1)
Loss on disposal of non-current assets		7	2
Auditors' remuneration and expenses		16	16
Other programme notional costs		41	38
(Decrease) increase in provision for doubtful debts	11.2	(28)	19
Provisions:			
Provided in year	14	30	40
Total non – cash costs		763	689
Programme costs		4,170	4,088

* EU grant expenditure £6k (2013-14 £18k) is less than EU grant income £15k (2013-14 £48k) due to staff costs cost of £9k (2013-14 £30k).

5 Income

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

	2014-15	2013-14
	£000	£000
Police Service of Northern Ireland	10,040	10,040
Intra-departmental income	424	424
Other public sector customers	495	516
Non-public sector customers	22	11
EU grant	15	48
Total	10,996	11,039

6 Property, plant and equipment

	Computer Equipment	Temporary Buildings	Plant & Machinery	Vehicles	Assets Under Construction	2014-15 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2014	2,403	1,275	7,007	14	2,298	12,997
Additions	145	13	1,672	-	9,815	11,645
Disposals	(609)	(2)	(770)	-	-	(1,381)
Revaluations	-	-	59	-	-	59
At 31 March 2015	1,939	1,286	7,968	14	12,113	23,320
Depreciation						
At 1 April 2014	2,119	526	4,318	12	-	6,975
Charged in year	105	107	477	2	-	691
Disposals	(609)	(2)	(763)	-	-	(1,374)
Revaluations	-	-	27	-	-	27
At 31 March 2015	1,615	631	4,059	14	-	6,319
Carrying amount at 31 March 2015	324	655	3,909	-	12,113	17,001
Carrying amount at 31 March 2014	284	749	2,689	2	2,298	6,022

The Agency owns all of its assets and has no finance leases or PFI contracts.

IAS 16 requires measurement at fair value. A full independent valuation of temporary buildings was carried out by the Land and Property Services at 31 March 2014 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.

6 Property, plant and equipment *(continued)*

	Computer Equipment	Temporary Buildings	Plant & Machinery	Vehicles	Assets Under Construction	2013-14 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2013	2,358	721	6,611	14	737	10,441
Additions	51	300	582	-	1,561	2,494
Disposals	(3)	-	(211)	-	-	(214)
Revaluations	(3)	254	25	-	-	276
At 31 March 2014	2,403	1,275	7,007	14	2,298	12,997
Depreciation						
At 1 April 2013	1,986	318	4,166	11	-	6,481
Charged in year	138	74	351	1	-	564
Disposals	(3)	-	(209)	-	-	(212)
Revaluations	(2)	134	10	-	-	142
At 31 March 2014	2,119	526	4,318	12	-	6,975
Carrying amount at 31 March 2014	284	749	2,689	2	2,298	6,022
Carrying amount at 31 March 2013	372	403	2,445	3	737	3,960

The Agency owns all of its assets and has no finance leases or PFI contracts.

7 Intangible assets

	2014-15 Total £000
Cost or valuation	
At 1 April 2014	404
Additions	142
Disposals	(269)
Revaluation	-
At 31 March 2015	277
Amortisation	
At 1 April 2014	343
Charged in year	7
Disposals	(268)
Revaluation	-
At 31 March 2015	82
Net book value at 31 March 2015	195
Net book value at 31 March 2014	61

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

	2013-14 Total £000
Cost or valuation	
At 1 April 2013	338
Additions	66
Revaluation	-
At 31 March 2014	404
Amortisation	
At 1 April 2013	331
Charged in year	11
Revaluation	1
At 31 March 2014	343
Net book value at 31 March 2014	61
Net book value at 31 March 2013	7

8 Capital commitments

	2014-15	2013-14
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these accounts		
Property, plant and equipment	4,299	15,255

During 2013-14 the Agency entered into two large contracts, one for the construction of a new laboratory and one for a new case management system.

9 Financial assets/liabilities

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.

10 Inventories

	2014-15	2013-14
	Total	Total
	£000	£000
Consumable inventory	187	253
Work in progress	30	60
	217	313

The cost of inventories recognised as an expense in the statement of comprehensive net expenditure amounted to £854k (2013-14 £863k).

11 Trade receivables and other current assets

	2014-15 Total	2013-14 Total
	£000	£000
Amounts falling due within one year:		
Trade receivables	184	111
Other receivables	-	23
Prepayments and accrued income	245	239
VAT	466	-
	895	373

11.1 Intra-Government receivable balances

	2014-15 Total	2013-14 Total
	£000	£000
Amounts falling due within one year		
Balances with other central government bodies	724	161
Balances with bodies external to government	171	212
Total receivables at 31 March	895	373

11.2 Bad debt provision

	2014-15 Total	2013-14 Total
Balance as at 1 April	48	29
(Decrease) Increase in Provision during the year	(26)	19
Provision utilised	(2)	-
Balance as at 31 March	20	48

12 Cash and cash equivalents

	2014-15 Total	2013-14 Total
Balance at 1 April	700	660
Net changes in cash and cash equivalent balances	(2,243)	40
Balance at 31 March	(1,543)	700

The following balances at 31 March are held at:

Commercial banks and cash on hand	(1,543)	700
Balance at 31 March	(1,543)	700

13 Trade payables and other current liabilities

	2014-15 £000	2013-14 £000
Amounts falling due within one year		
Trade payables	43	14
Other payables	678	719
Accruals and deferred income	5,163	2,375
VAT	-	88
	5,884	3,196

13.1 Intra-Government payable balances

	2014-15 £000	2013-14 £000
Amounts falling due within one year		
Balances with other central government bodies	1,454	809
Balances with bodies external to government	4,430	2,387
Total payables at 31 March	5,884	3,196

14 Provisions for liabilities and charges

	2014-15 Total £000	2013-14 Total £000
Balance at 1 April	40	-
Provided in the year	30	40
Provisions utilised in the year	-	-
Provisions released in the year	-	-
Balance at 31 March	70	40
Presented as current liabilities	70	40
	70	40

Provisions are all for litigation claims and represent the best estimate of the expenditure. The Agency is involved in legal proceedings of a nature considered normal to its business. The provision reflects all known claims where it is considered that it is probable that the claim will be successful and the amount required, to settle the obligation at the date of approval of the financial statements, can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

15 Commitments under leases**15.1 Operating leases**

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

	2014-15 £000	2013-14 £000
Obligations under operating leases comprise:		
Buildings:		
Not later than one year	394	394
Later than one year and not later than five years	1,096	1,490
Later than five years	-	-
Total	1,490	1,884

16 Other financial commitments

The Agency has not entered into any other non-cancellable contracts at 31 March 2015 (31 March 2014, £ nil).

17 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.

Voluntary Exit Scheme (VES)

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015. The closing date for applications was 27 March 2015. At the reporting date, there is a possible obligation on the Agency which may give rise to a liability should any of the Agency's employees apply and be successful. It is not possible, at the reporting date, to quantify what this potential liability may be.

18 Losses and special payments

In 2014-15 there were no losses or special payments that require disclosure.

In 2013-14 there were no losses or special payments that require disclosure.

There were no individual cases over £250,000 in the current year or in the prior year.

19 Related party transactions

Forensic Science Northern Ireland is an executive Agency of the Department of Justice.

The Department of Justice is regarded as a related party. During the year, the Agency has had various material transactions with the Department, and with other entities for which the DOJ is regarded as the parent Department, e.g. the Police Service of Northern Ireland, Northern Ireland Courts and Tribunals Service and the State Pathologist's 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 LB member, key manager or other related parties has undertaken any material transactions with the Agency during the year.

20 Third Party Assets

FSNI did not hold any Third Party Assets during 2014-15 (2013-14 nil).

21 Events after the reporting period

Since 31 March 2015, applications for the Voluntary Exit Scheme are being processed, communicated and agreed with staff based on conditional offers. This will result in an obligation arising on the Agency, since the reporting date, but the value of the liability cannot be quantified at this stage. This is a non-adjusting event and consequently, the 2014-15 accounts have not been adjusted. It is expected that payments to settle this liability will be made during the 2015-16 financial year.

There were no further events after the reporting period.

Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 2 July 2015.

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