

Public Prosecution Service for Northern Ireland

Annual Report and Resource Accounts

2015-16



Independent, Fair and Effective



Public Prosecution Service for Northern Ireland

Annual Report & Resource Accounts 2015-16

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Annual Report and Resource Accounts 2015-16



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Annual Report and Resource Accounts 2015-16

The Public Prosecution Service (PPS) presents its Annual Report and Resource Accounts for the financial year ended 31 March 2016. The accounts demonstrate the resources that have been used in delivering the Service's objectives.

The accounts have been prepared in accordance with the guidance set out in the Government Financial Reporting Manual and guidance as directed by the Department of Finance (formerly the Department of Finance and Personnel) and on the basis of PPS being a going concern.

Foreword

by the Attorney General for Northern Ireland

During this last year the Public Prosecution Service has undergone far reaching changes in its structures. The four regions which had formed the basis of the Service's organisational structure since its inception have been streamlined into two regions with the resultant closure of two PPS regional offices at Ballymena and Lisburn, as well as the reduction of the Omagh office to a satellite office. The PPS has also had to deal with a significant reduction in staffing levels as a result of the NICS Voluntary Exit Scheme. In the midst of all of this change, it is impressive that the PPS continues to maintain the level of service which it provides to the public of Northern Ireland.

The PPS has also created a Serious Crime Unit in order to deal with offences involving homicide, serious sexual offences and offences related to human trafficking. This has been done to improve the quality of its service by ensuring that these very difficult and serious matters receive the attention of lawyers with the greatest experience and expertise in those areas.

The PPS plays a central role in the delivery of a fair and effective criminal justice system for the people of Northern Ireland and I am committed to providing whatever support I can to the Director and his colleagues as he continues to strive to maintain and improve the service which the PPS provides.

I know that among those lawyers who left the PPS this year under the Voluntary Exit Scheme were some of the most experienced and long serving prosecutors and staff, men and women who had served Northern Ireland well for many years both in the Department of the Director of Public Prosecutions and in the Public Prosecution Service. I take this opportunity to thank them for their valuable service to the people of Northern Ireland and to wish them a long and happy retirement.

To their colleagues who remain I send my good wishes and I assure them of my continued support.



John F Larkin QC
Attorney General for Northern Ireland

A handwritten signature in black ink, appearing to read 'John F Larkin'.

John F Larkin QC
Attorney General for Northern Ireland

Foreword

by the Advocate General for Northern Ireland

I would like to welcome this report which sets out the work of the Public Prosecution Service for Northern Ireland for the past year.

An independent prosecution service like the PPS is central to a fair criminal justice system. Prosecutors need to prosecute without bias with the aim of delivering justice in every case, taking decisions independently and without fear or favour. Independent prosecutors, taking their decisions against clear evidential and public interest criteria, help build confidence in the criminal justice system.



Jeremy Wright QC MP

Advocate General for Northern Ireland

I also believe that transparency builds confidence and, where possible, prosecutors should be willing to explain their decisions to the wider public. If requested to do so, a prosecutor should also be willing to review a decision not to prosecute and I am pleased that the PPS has such a system in place.

Amongst other things this report sets out the PPS's four strategic priorities. They are all important but I want to mention one in particular - building the confidence and trust of the community it serves. I was glad to see that providing an enhanced service to victims and witnesses forms part of this priority.

The prosecutor plays an important role in supporting victims and witnesses. Properly charged and properly prepared cases mean that defendants are more likely to plead guilty earlier. This gives victims and witnesses certainty about whether they will need to give evidence. Earlier pleas also mean that those cases which are to be contested can be heard earlier, thus reducing the time that victims and witnesses need to wait before they give evidence.

Prosecutors do a difficult job on a daily basis and the decisions that they take affect people's lives, whether victims or defendants. This report sets out some of the steps that the PPS have taken to provide an independent and fair prosecution service, serving the people of Northern Ireland. I am confident that this work will continue in the coming year.

A handwritten signature in black ink that reads "Jeremy Wright". The signature is written in a cursive, flowing style.

The Rt Hon Jeremy Wright QC MP

Advocate General for Northern Ireland

Statement of Vision, Aim and Values

Our Vision

To be recognised as providing a first class prosecution service for the people of Northern Ireland.

Our Aim

The aim of the Public Prosecution Service is to provide the people of Northern Ireland with an independent, fair and effective prosecution service.

Our Values

- **Independence and Integrity**
We will maintain our independence and act at all times with integrity, fairness and impartiality. We will seek to deliver justice in every case in accordance with the law, respecting the human rights of all persons.
- **Openness and Honesty**
We will communicate openly and honestly, in accordance with our professional duties. We will set clear standards about the service the public can expect from us.
- **Respect**
We will respect each other, our colleagues and the public we serve, showing courtesy, sensitivity and understanding.
- **Excellence**
We will make the best use of our people and resources, seeking to achieve excellence in everything we do.
- **Partnership**
We will work in partnership within the criminal justice system to better serve the community.

Part 1: Performance Report



Director's Commentary on Performance

I am pleased to present my report on the performance of the Public Prosecution Service (PPS) during 2015-16.

During the year the PPS has rolled out its Transformation Programme. The scale of the change is significant and reflects ongoing budgetary constraints. In developing the new model the aim has been to increase the flexibility of the Service, streamlining our operations so as to improve resilience and maintain a high level of effectiveness. This has included the consolidation of our operational teams which have been brought together in three main locations, in Belfast, Foyle and Newry. We have also centralised a range of the most serious indictable cases, including murder, manslaughter and sexual offences, within a new Serious Crime Unit.

Clearly this has been a year of considerable change for the PPS but also, in my view, considerable achievement. While the Transformation Programme seeks to deliver a more efficient and effective service for the longer term, we have continued to focus on performance and meeting our existing key delivery targets. In particular, I would point to our performance in respect of the timeliness of our prosecution decisions, where 9 of the 10 targets for the year were met. This was in spite of the difficulties presented by the Voluntary Exit Scheme, and the loss of 79 legal and administrative staff during 2015-16, including a number of our most experienced Senior Public Prosecutors.

In tackling avoidable delay I recognise the importance of working collaboratively with our criminal justice partners. During the year we have been active participants in the overall programme to deliver Faster, Fairer Justice.

During this period of transition, I can provide an assurance that my intention is to maintain a high quality service. In January 2016 new case management arrangements were introduced. This is an important development for the prosecutors responsible for difficult and complex cases, enabling access to senior management support at an early stage and ensuring full engagement with external Counsel where

appropriate. We have also introduced new Prosecution Quality Standards, placing quality at the heart of the work that everyone in the PPS performs. I am pleased to report that the quality of our decisions has been maintained during 2015-16. Based on the results of dip sampling by senior prosecutors, 97% of decisions were assessed as having been taken in accordance with the Code for Prosecutors.

The Service remains committed to providing effective services to victims and witnesses. As part of this commitment, a revised victim and witness policy has been under development this year. This policy, which has recently been published for consultation, reflects all of the requirements set out in the Victim Charter and also our continued investment in the Victim and Witness Care Unit.

The PPS lies at the heart of the criminal justice system and it is essential for the community that it provides a service which is independent, fair and effective. The latest survey findings in this regard are very encouraging, with nearly three-quarters of respondents stating that they were very or fairly confident in the fairness and impartiality of the Service. This compared with 71% in 2014 and 68% in 2013.

The progress made in 2015-16 prompts me to end by recognising the outstanding professionalism of staff across the PPS. Over the reporting year, they have continued to demonstrate high levels of dedication in their work and in their commitment to delivering a first class prosecution service to everyone in Northern Ireland.

I am confident that PPS staff will continue to provide a highly performing prosecution service during the year ahead.



Barra McGrory QC
Director of Public Prosecutions
for Northern Ireland

Overview of Performance during 2015-16

About the Public Prosecution Service

The Public Prosecution Service (PPS) is the principal prosecuting authority in Northern Ireland. In addition to taking decisions as to prosecution in all cases initiated or investigated by the police, it also considers cases initiated or investigated by other statutory authorities, for example HM Revenue and Customs.

The Service was established on 13 June 2005 by the Justice (Northern Ireland) Act 2002. The Act creates the PPS and defines its statutory duties and commitments and the legislative framework within which it must provide its services.

PPS Structures

The PPS is a regionally based organisation. There are two regions, Belfast and Eastern Region and Western and Southern Region, each of which is headed by an Assistant Director (AD). The AD is responsible for working with the courts and the police to provide a high quality prosecution service in their area. The regions deal with a wide range of cases, from the less serious summary cases, which are heard in the Magistrates' Courts, through to more serious indictable cases which are heard in the Crown Court.

In addition there are four legal sections, based in PPS Headquarters, which are also headed at AD level. These sections are as follows:

- The Serious Crime Unit deals with a range of the most serious offences including murder, manslaughter, rape and serious sexual offences, human trafficking, prostitution and related offences.
- Central Casework Section deals with some of the most high profile and difficult cases in Northern Ireland, including files relating to terrorism and organised crime.
- Fraud and Departmental Section deals with serious and complex fraud files submitted by the police, as well as files from public bodies.
- Appeals and International Section deals with a range of specialist legal matters, including High Court bail applications, restraint and confiscation orders, extradition, international letters of request, judicial reviews, appeals to the Court of Appeal and cases referred by the Criminal Cases Review Commission. Appeals and International also provides the PPS's legal guidance and advice and quality assurance functions.

Corporate Services is responsible for the organisation's support services such as Finance, Human Resources and ICT, as well as the Victim and Witness Care Unit (VWCU).

An Organisation Chart for the PPS is presented at Annex A.

PPS Role

The primary role of the PPS is to reach decisions to prosecute or not to prosecute and to have responsibility for the conduct of criminal proceedings. Additional services are also available which have been designed to enhance the effectiveness of the Service, including the provision of prosecutorial and pre-charge advice.

Options are available to allow prosecutors to deal with offenders other than through prosecution. These include restorative cautioning, informed warnings and youth conferencing. Prosecutors may also refer offenders to the NI Driver Improvement Scheme. The purposes of diversion include dealing quickly and simply with less serious offenders, reducing the risk of re-offending and engaging the offender in a restorative process with the victim and society as a whole.

Prosecution Decisions

Prosecutions are instituted or continued only where the public prosecutor is satisfied that the Test for Prosecution is met. The Test for Prosecution is met if:

- The evidence which can be adduced in court is sufficient to provide a reasonable prospect of conviction – the Evidential Test; and
- Prosecution is required in the Public Interest – the Public Interest Test.

The Test for Prosecution is the key element in the Code for Prosecutors issued under Section 37 of the 2002 Act. The Code gives guidance on the general principles to be applied in determining in any case whether criminal proceedings should be brought, what charges should be preferred and how prosecutions should be conducted. It also sets out the standards of conduct that the PPS requires from prosecutors including external counsel instructed on behalf of the Director.

Conduct of Prosecutions

The majority of prosecutions in the Magistrates' and Youth Courts, and appeals at the County Court, are conducted by Public Prosecutors, with the remainder conducted by external counsel. In general, members of external counsel represent the PPS at the Crown Court, High Court and the Court of Appeal. In performing this role external counsel are essential to the effective delivery of PPS services.

All members of external counsel are required to comply with the policies and guidance of the Director in the conduct of prosecutions, the PPS Advocacy Standards and the PPS Code of Ethics.

Working in Partnership: Criminal Justice System Northern Ireland (CJSNI)

The PPS works in partnership with the Police Service of Northern Ireland, the Northern Ireland Courts and Tribunals Service, the Northern Ireland Prison Service, the Probation Board for Northern Ireland, the Youth Justice Agency and the Department of Justice, as part of the Criminal Justice System Northern Ireland. The PPS is represented on the Criminal Justice Delivery Group which comprises senior officials from these Services.

The Director is a member of the Criminal Justice Board which is chaired by the Minister of Justice. This was established by the Minister to improve engagement between the most senior leaders within the criminal justice system, and to provide strategic oversight to the work of the Criminal Justice Delivery Group.

Inspection and Audit

The PPS is subject to review by Criminal Justice Inspection Northern Ireland (CJI), within the provisions of Part 3 of the Justice (Northern Ireland) Act 2002.

Internal Audit provision within the PPS is provided by the Internal Audit Branch of the Department of Justice (DOJ). An annual programme of audits is agreed with the PPS Audit and Risk Committee, in consultation with the DOJ's Head of Internal Audit. The internal audit service is provided in accordance with the Public Sector Internal Audit Standards. Details of audit activity during 2015-16 are set out at page 55.

Departmental Liabilities

The PPS is a non-ministerial department funded by the Northern Ireland Assembly. While the liabilities of the Department are relatively high, the functions of the Department are statutory in nature and cannot be discontinued. Future funding is assured and on this basis the going concern concept applies to the activities of the Service.

Management of Risk

The PPS risk management policy sets out the framework for the management of risk and promotes a consistent approach across the Service.

During 2015-16 the Management Board identified 11 corporate risks that could, if not managed properly, have reduced the Service's ability to deliver against its strategic priorities. These are set out below (see 'Governance Statement', page 50).

Key Initiatives during 2015-16

Change Management: The 'First Class Prosecution Service Programme'

The First Class Prosecution Service (FCPS) Programme was implemented by the Management Board in 2014. In implementing the initiative, the Board agreed that there was an opportunity for the PPS, as a relatively 'young' organisation, to improve and embed its change management arrangements.

As part of the programme, the Management Board identified a number of priority change issues which were taken forward via four projects, as follows:

- Project 1 - Faster, Fairer Justice
- Project 2 - Interface with Police
- Project 3 - Communication
- Project 4 - Service Effectiveness

Oversight of the Programme has been provided by the FCPS Programme Board, chaired by the Senior Assistant Director for Resources and Change.

Further details of the work undertaken within the four projects during 2015-16 are set out later in this report.

It was anticipated that the work of the change projects would finish in March 2016. However the programme was brought to a close a number of months early in order to prioritise the work of the Transformation Working Group (see below). While the FCPS Programme has ended, the service will continue to engage with partners in the Faster, Fairer Justice Programme.

Transformation Programme

The Transformation Programme was established by the PPS Management Board to take forward a fundamental review of the delivery of the Service's functions, in the light of the proposed budget settlements for 2015-16 and the next Spending Review period. This was to enable the PPS to identify actions that would minimise operational spend, while protecting front-line services and particularly those provided to victims and witnesses.

The Transformation Working Group (TWG) commenced in October 2014 in order to support the Board in the development of future operational structures and plans. Following consideration of a number of options, a new model for the Service was presented to the Board in June 2015. This was formally signed off by the Board in September 2015. The remit of the TWG was then extended in order to focus on the implementation of the new model. This covered all aspects of the implementation phase, including people, property and processes.

Key changes have included:

- The consolidation of operations across four office locations, at Belfast Chambers, Foyle Chambers, and Newry Chambers, with a satellite office to be retained in Omagh. The plan provided for the closure of Ballymena Chambers, Lisburn Chambers and Linum Chambers (Belfast), as well as withdrawal from NICTS premises at Laganside Courts.
- Implementation of a 2 region structure, reducing from the 4 regions in place previously.
- The creation of the new centralised Serious Crime Unit.
- A more streamlined senior management team, with the number of SCS Grade 5 posts reducing from 8 to 6.
- A reduction in PPS staff numbers from a complement of 565 to 483, to be delivered through the Northern Ireland Civil Service (NICS) Voluntary Exit Scheme.

Corporate Planning in the PPS

The Service's corporate planning is based around four strategic priorities which act as a framework to drive our planning outcomes and our approach to managing performance and risk. Within each priority area a number of objectives have been set out as the focus of the PPS's work programme and which will progress the delivery of the Service's vision.

The PPS's strategic priorities and objectives for 2015-16 were as follows:

STRATEGIC PRIORITY 1:

Delivering an efficient and effective prosecution service

- To promote the highest standard of prosecutorial decision-making and case preparation and prosecute in the most effective manner (Objective 1.1).
- To work with partners to improve our service delivery and reduce avoidable delay (Objective 1.2).
- To develop and embed our advocacy strategy (Objective 1.3).

STRATEGIC PRIORITY 2:

Building the confidence and trust of the community we serve

- To provide an enhanced service to victims and witnesses (Objective 2.1).
- To engage effectively with stakeholders and the wider community (Objective 2.2).

STRATEGIC PRIORITY 3:

Strengthening our capability to deliver

- To provide value for money through the improved management of resources and the development of our resource planning (Objective 3.1).
- To strengthen our accountability as a non-ministerial department by developing and maintaining a transparent and effective governance framework (Objective 3.2).

STRATEGIC PRIORITY 4:

Building the capability of our people

- To develop our staff and promote a culture of continuous improvement (Objective 4.1).

Performance during 2015-16

STRATEGIC PRIORITY 1:

Delivering an efficient and effective prosecution service

Objective 1.1:

To promote the highest standard of prosecutorial decision-making and case preparation and prosecute in the most effective manner

Legal Quality Assurance

Quality Assurance Team

The Legal Quality Assurance Team's work programme for 2015-16 included a number of thematic reviews. These focused on a variety of matters, including cases where a no prosecution decision had been taken on public interest grounds and the use of cautions in drug-related cases.

The Service also maintained an administrative quality assurance service to conduct free-standing administrative reviews and to manage those parts of legal thematic reviews which concerned operational processes.

In addition senior managers have reviewed a range of serious cases where there has been an unsuccessful outcome to ensure that any lessons learned have been considered. This has included No Bills and Acquittals by Direction in the Crown Court, as well as cases in which a request for review has resulted in a change to the original decision.¹

PPS Prosecution Quality Standards

In May 2015 the Service published its Prosecution Quality Standards, following a period of public consultation.

The new standards cover the main areas of the PPS's work, including the provision of advice to investigators, the taking of prosecution decisions, the preparation of cases, the presentation of cases at court and the services provided to victims and witnesses. The standards are supported by a series of service delivery measures which are informed by the dip sampling of cases, carried out by senior prosecutors (see page 32).

Policy Development

A major review of the PPS Code for Prosecutors has been taken forward. The document was released for public consultation in May 2015 for a period of 16 weeks.

Key changes to the Code include the following:

- Revision of the procedures for review of a decision not to prosecute.
- Updated guidance to reflect our approach to the giving of reasons to victims of crime.

¹ A 'No Bill' occurs in cases before the Crown Court where the Judge, prior to commencement of trial, determines that there is insufficient evidence to proceed on any count or charge. During trial, and on completion of the prosecution case, a defendant may be 'acquitted by direction' where the Judge determines that there is insufficient evidence to proceed.

- Reference to the Attorney General’s Human Rights guidance.
- An outline of current arrangements for dealing with victims and the provision of victim services, for example reflecting the role of the VWCU and the requirements of the Victim Charter.

The final version of the Code will be released in early summer 2016.

A number of other policy statements were to be published for consultation during 2015-16, including policies in relation to the handling of cases involving youth offenders and guidelines for diversion. However publication of these documents was deferred, pending legislative changes and / or the implementation of related initiatives within the criminal justice sector. These policies will now be published in 2016-17.

Case Management

A new Policy on Case Management was implemented in January 2016. The purpose of the policy is to ensure that risks to a successful outcome in difficult and complex cases are identified at an early stage. The policy also outlines a number of measures to improve strategic planning in such cases, for example through the introduction of prosecution strategy documents which will outline all actions to be taken by police, prosecutors and external counsel. The roles and responsibilities of the prosecutor / decision-maker, their Assistant Director and Prosecuting Counsel are clearly defined within the new policy.

Criminal Justice Inspection Northern Ireland

The Chief Inspector has published a number of reports which focused on the work of the PPS and/or its interface with partner agencies (see page 54 for further details).

The Service has considered all findings and, where appropriate, has liaised with partner agencies to ensure that recommendations are addressed.

Objective 1.2:

To work with partners to improve our service delivery and reduce avoidable delay

Tackling Avoidable Delay

Justice Act

The PPS is participating in the ‘Faster, Fairer Justice’ Programme which provides the strategic context and framework for the range of initiatives set out in the Justice Act 2015. During 2015-16, this work has been wide-ranging, covering a number of different strands including the reform of committal proceedings and the introduction of public prosecutor summonses.

Other work has focused on the impact of the NICTS’s proposed Single Jurisdiction reforms.

Indictable Cases Pilot

During 2015 PPS worked with partner agencies in the operation of a new Indictable Cases Pilot (ICP). This initiative was intended to reduce avoidable delay, for example by promoting early engagement between PPS and police and by providing a clear and defined method of enabling early guilty pleas to be taken by the court in appropriate cases. While the ICP is a resource intensive process, initial assessments have demonstrated substantial benefits in terms of timeliness.

The ICP principles have already been adopted for all murder and manslaughter cases considered by the PPS's new Serious Crime Unit. Subject to the availability of resources, PPS will work with DOJ and partners during 2016-17 with a view to extending the scope of the offences covered by the ICP principles.

Working Together

The 'Working Together' initiative builds on the work already taken forward by the FCPS Programme's Interface with Police project. The aim of Working Together, a joint PPS and police initiative, is to devise and implement revised procedures to improve performance in respect of several key areas for the two organisations, in particular the quality of police files and disclosure. The initiative was launched in January 2016 in response to the findings of a CJI report published in November 2015. Inspectors made six strategic recommendations which will be addressed via the initiative. Progress will be monitored jointly over the course of 2016.

Objective 1.3:

To develop and embed our advocacy strategy

Advocacy

Advocacy Standards

Training continues to play an important role in maintaining the quality of our advocacy. During 2015, 8 Public Prosecutors attended the Law Society's Advanced Advocacy Course, which included sessions in May, June and September.

During 2014-15 steps had been taken to explore the development of formal quality review systems for staff, as part of a new advocacy monitoring pilot. During 2015-16 it had been intended to develop agreed arrangements based on the lessons learned from this pilot. However it has not been possible to take this forward due to pressures on resources.

Higher Court Advocates

The PPS continues to use in-house prosecutors as advocates in the Crown Court. Three Higher Court Advocates (HCAs) are currently in post. During the year a total of 194 Crown Court briefs were issued to the HCAs, compared with 183 during the previous year.

Panel Counsel Scheme

In 2009 the Service established a Panel Scheme for the instruction of external counsel, both junior and senior. A refresh of the junior panel was taken forward in 2015, via an open competition, and a new panel appointed.

The Service no longer operates a senior panel as the small numbers of counsel available were considered to be too operationally restrictive in terms of briefing.

STRATEGIC PRIORITY 2:

Building the confidence and trust of the community we serve

Objective 2.1:

To provide an enhanced service to victims and witnesses

Services to Victims and Witnesses

Victim and Witness Care Unit

In the summer of 2015 PPS conducted a stakeholder consultation exercise, which was taken forward as part of a wider review of the Victim and Witness Care Unit (VWCU). A total of 55 stakeholders (individuals and groups) were consulted by the PPS Business Improvement Team (BIT) during this exercise. Those consulted included the staff and management of the VWCU, PPS staff, representatives from the Department of Justice and various criminal justice agencies, as well as voluntary groups with an interest in matters relating to victims and witnesses. A consistent approach was adopted for the exercise which took the form of a structured discussion covering the various areas of interest.

In terms of broad themes arising from the consultation, there was an appreciation across most stakeholders and agencies that the VWCU has come a long way since its inception as a pilot initiative in 2012, and that it is still evolving due to the relatively short time it has been in existence. Specific issues raised by stakeholders included: The need to improve communication regarding the Victim Charter, and the role of the VWCU in delivering key Charter commitments; stronger 'branding' of the VWCU as an entity; adoption of more user-friendly correspondence; and consideration of a VWCU presence at court.

All comments made by stakeholders have been considered, and where possible are being taken forward by the Unit's management via an agreed action plan. The VWCU Operations Board recognises that not all of the desired changes put forward by stakeholders will be achievable – in particular any move to a VWCU court presence or indeed greater face to face contact with victims and witnesses will depend on the availability of additional resources.

The ongoing review of the VWCU, led by the PPS BIT, has shown that the Unit is operating effectively. There is further work to be done in a number of areas, for example by way of process and ICT enhancements.

Registered Intermediaries Scheme

The PPS has continued to support the Registered Intermediaries (RI) Pilot Scheme. A further phase of the pilot commenced from April 2015, for a period of 12 months. This phase concluded on 31 March 2016 and is currently being evaluated by the Department of Justice to inform decision making in relation to the future rollout of the scheme.

In December 2015, PPS representatives attended joint training with the RIs on the communication process and the impact of trauma. In February 2016, two RIs, with a professional background in speech and language, delivered training to PPS prosecutors within the Serious Crime Unit.

Victim Information Portal

Victims and witnesses will be able to log on securely via the new Victim Information Portal to obtain details of their case, such as forthcoming court dates. Development work was taken forward during the year. It had been planned that the facility would be launched in the fourth quarter of 2015-16, however implementation is now expected to take place in July 2016. This is in order to allow for additional technical / user acceptance testing.

Victim and Witness Policy

The PPS has taken forward a review of its Victim and Witness Policy. The revised policy, which takes on board the requirements of the Victim Charter, was published for public consultation in June 2016.

Victim and Witness Task Force

The PPS is a member of the inter-agency Victim and Witness Taskforce (VWTF) and has continued to contribute to the new five year 'Making a Difference' Strategy.

Hate Crime

In July 2015, the PPS published detailed statistics in relation to the prosecution of cases involving hate crime during the 2013-14 and 2014-15 financial years. The coverage of these statistics was extended to include details of enhanced sentences imposed in cases aggravated by hostility.

Requests for Review

During 2015-16, 126 requests for review of a prosecution decision were made by victims of crime, 3 of which resulted in the original decision being changed.

Review by Sir Keir Starmer QC

In October 2014, the Director announced that a leading human rights lawyer, Sir Keir Starmer QC, was to conduct an independent review of three interlinked cases involving sex abuse and terror-related charges. The review, which encompassed all aspects of the prosecution of these cases by the PPS, was published in May 2015.

The PPS has responded to the review's recommendations by way of a detailed action plan. The Director has invited CJI to carry out a review to assess the effectiveness of the PPS's response, to be taken forward later in 2016.

Witness Expenses

PPS is responsible for the payment of expenses to prosecution witnesses arising from their attendance at court in respect of proceedings to which they have been summoned. The rates of witness expenses payable are equivalent to those paid by the Crown Prosecution Service in England and Wales. Total PPS witness expenses for 2015-16 were £218k, compared with £506.5k in 2014-15. This reduction in the expenses payable was mainly the result of the withdrawal of defence services by the Bar Council and Law Society in response to the new Crown Court legal aid fee scheme introduced by the Department of Justice. As a result, no new cases were conducted in the Crown Court over the period from May 2015 to February 2016.

A planned review of court witness expenses has been completed and will be released for public consultation in Autumn 2016.

Objective 2.2:

To engage effectively with stakeholders and the wider community

FCPS Programme – Communications Project

Work conducted during the year focused on internal communication needs and has included a refresh of the Service's intranet site and team briefing arrangements.

Outreach Programme

Over the course of 2015-16 a series of inter-agency and outreach events and activities were conducted across the PPS. These included:

- Meetings with victims and witnesses and representative groups.
- Participation in multi-agency events and working groups.
- Presentations to voluntary organisations on the role of the PPS.
- Meetings with local elected representatives including MPs and MLAs, and accommodating visits by MLAs to PPS events.
- Media interviews.
- Participation in Business in the Community initiatives.
- Representation at the Belfast Pride and Mela Festivals.
- Participation in seminars and conferences locally, nationally and internationally which has included presentations by members of PPS staff.
- Provision of work experience to school and university students.

Complaint Handling

Complaints Dealt with in 2015-16

The PPS has a three tier process for handling complaints. In the first instance complaints are referred to the relevant Regional Office and will normally be considered by the Regional Assistant Director. The majority of complaints are satisfied at this early stage, and the matter goes no further. Where it is not possible to resolve a complaint at this initial stage, it can be escalated for consideration by a member of the senior management team.

There is also an Independent Assessor of Complaints (IAC) for the Public Prosecution Service. The role of the IAC is to review a complaint where the complainant is not satisfied with the way in which the PPS has decided to deal with the matter. The IAC can investigate only after the case has been considered by the PPS, and if it is not primarily prosecutorial in nature. The current post holder, Mr Alan Henry OBE, was appointed in June 2013.

During the year, a total of 67 complaints were received by the PPS, a reduction of 22 on 2014-15 (89). In terms of outcomes for the year, 6 complaints were upheld, 6 were partially upheld and the remaining 55 were informally resolved or not upheld.

The IAC produced his latest annual report in July 2015, covering complaints received during 2014-15. The Director has responded to the 9 recommendations outlined in the IAC's annual report, which is available via the PPS website at www.ppsni.gov.uk.

As part of his review of activity for 2015-16, the IAC will carry out an audit of all complaints dealt with by the Service over the year.

Working Arrangements with Partner Agencies

Participation in CJSNI Working Groups

PPS is involved in a wide range of inter-agency working groups, all designed to improve the efficiency and effectiveness of the criminal justice system, and to ensure that all key interests are represented and considered during policy development and implementation.

Proceeds of Crime

During the year the PPS continued to build effective working relationships with those criminal justice investigative agencies which have a particular focus on proceeds of crime issues, including restraint and confiscation. Representatives from PPS actively participate in regular meetings of the Organised Crime Task Force (OCTF), including the Strategy Group and the various sub-groups within the OCTF.

During 2015-16 a total of 45 confiscation orders were granted by the courts, with a value of just under £2 million (£1,962k). This compared with the total of 59 orders granted during 2014-15, with a value of £2,029k.

STRATEGIC PRIORITY 3:

Strengthening our capability to deliver

Objective 3.1:

To provide value for money through the improved management of resources and the development of our resource planning

Financial Management

Details of the PPS's financial management, including performance against the agreed savings delivery plans, are presented at pages 36 to 38.

Account NI

Account NI provides an integrated Resource Accounting and Budgeting System for all NICS Departments. PPS joined Account NI on 2 July 2012.

Information and Communications Technology (ICT)

During the financial year, there has been ongoing investment in ICT systems, including the Case Management System (CMS), which supports the PPS's business processes.

The Service is exploiting the benefits offered by digital working. The Causeway System already provides for electronic sharing of information between the main criminal justice organisations in Northern Ireland. However, once a decision is taken to prosecute by the PPS, under current arrangements a paper file must still be printed and transported for use at court. Pilots in Ballymena and Coleraine courts have been carried out to trial a new electronic case file application which is running on secure tablet PC devices. These devices, which are taken into court by PPS staff, should significantly reduce the requirement for paper files. The initiative should also generate financial savings due to a reduction in courier costs. Based on the outcome of the pilots the PPS have decided to roll out the system to the PPS regions. This is scheduled to start in summer 2016.

In addition to these key projects a range of CMS and Causeway enhancements have been delivered, including improvements in the registration of files received from Government Departments and the National Crime Agency, enhancements to functionality supporting the Victim and Witness Care Unit, development of the new Victim Information Portal and changes to the way file quality is monitored.

During the year seminars were held by the Crown Prosecution Service in London and by the PPS in Belfast to share ideas on how digital working in the criminal justice sector could be extended.

Sustainable Development

As part of the 'green housekeeping' agenda the Service continues to promote and encourage the three key tenets of sustainability – reduce, re-use and recycle. This has seen an increase in support and contribution towards all three areas across the organisation.

This has led to a reduction in the amount of waste going to landfill, and a corresponding increase in the proportion of waste being recycled. The Service continues to explore opportunities to maximise recycling opportunities including better segregation of waste.

The Service's maintenance, procurement and off-site storage contracts are managed centrally through the Department of Finance (DOF – formerly the Department of Finance and Personnel). Sustainable development is factored into the establishment of all contracts.

Reduction in energy usage is carefully managed and monitored across the PPS estate by use of the Building Energy Management Systems in each property. The planned closure of PPS properties will further reduce energy consumption and hence our carbon footprint.

Objective 3.2

To strengthen our accountability as a non-ministerial department by developing and maintaining a transparent and effective governance framework

Corporate Governance – Revised Board Structures

A review of the Service's board structures has been carried out in order to consider the impact of organisational restructuring and the reduction in senior management posts. The outcome of the review was reported to the Management Board in November 2015 and revised structures (including terms of reference) were signed off by members in February 2016.

Further details of these changes are presented at page 48.

Security Policy Framework

Information Assurance

An overarching Information Assurance and Risk Policy is in place that links all the Service's information assurance policies and procedures and sets out the governance structure.

The Service is committed to improving its information assurance capability and ensuring that arrangements are driven by the Cabinet Office Security Policy Framework (SPF), the Data Protection Act and issues identified in PPS Information Risk Registers. For example, in September 2015, following a review of its processes, the Service moved to using envelopes with return addresses for all external correspondence.

The reaccreditation process for PPS ICT systems commenced in late 2014, and was completed in June 2015. The PPS Network is now accredited until February 2017.

Business Resilience

There were no major business continuity incidents during the year. The PPS business continuity policy is to be revised during 2016-17 when the final office structure is achieved.

Over this period the PPS has worked to develop the business continuity capability of the Victim and Witness Care Unit and Central Casework.

Disability Action Plan

The Service's Disability Action Plan (DAP) covered a one year period to 31 March 2016. The plan set out a range of actions through which the Service would seek to implement its disability duties in areas such as victim and witness services, partnership working, communication and staff training. Issues addressed during 2015-16 included the provision of disability awareness e-learning training and ongoing support for the Registered Intermediaries Scheme. Several matters, such as a planned review of current information leaflets, were not taken forward. This was mainly due to the availability of resources.

Equality Scheme

The Service has published a detailed Equality Action Plan. Key objectives achieved or partially achieved during 2015-16 included the publication of PPS hate crime statistics and the monitoring of complaints from service users. Outstanding issues, such as the publication of an updated Victim and Witness Policy and implementation of the Victim Information Portal, will be addressed in 2016-17.

The Annual Progress Report on Section 75 of the NI Act 1998 and Section 49A of the Disability Discrimination Act 1995 (as amended) was sent to the Equality Commission in August 2015.

STRATEGIC PRIORITY 4:

Building the Capability of our People

Objective 4.1

To develop our staff and promote a culture of continuous improvement

Staffing Levels and Recruitment

Following the restructuring of the Service, the agreed full time equivalent (FTE) capacity of the Public Prosecution Service is 483. As at 31 March 2016 the overall FTE was 457.9 and there were 485 staff employed. In addition there were 18 temporary staff in post.

It should be noted that the full time equivalent staffing figure at 31 March 2015 was 521.5 against a capacity of 565.

The Service's 2015-16 recruitment programme involved the use of external recruitment and elective transfers. A total of 32 persons have been recruited during the year. Twelve staff left the PPS as a result of elective transfers, retirement and temporary contracts coming to an end. A total of 91 staff left the organisation under the Voluntary Exit Scheme, including 11 staff who accepted while on a career break (see below). The leaving date for one member of staff had to be delayed until April 2016 but their costs were accounted for under VES during 2015-16.

Voluntary Exit Scheme

The NICS Voluntary Exit Scheme (VES) was launched by the Minister for Finance and Personnel on 2 March 2015. The purpose of the scheme was to deliver pay bill reductions for departments in line with the 2015-16 budget allocations agreed by the NI Executive.

The VES covered all NICS employees, including those on secondment to other organisations. Applications of interest were accepted up to 27 March 2015.

A total of 133 PPS staff expressed an interest in the scheme. Offers were made to staff to leave in a number of tranches with exit dates planned at the end of September 2015, November 2015, January 2016 and March 2016 (see below).

Voluntary Exit Scheme - Staff Leaving the PPS

VES Tranche	Exit Date	Staff in Post Accepting VES	Staff on Career Break Accepting VES
1	30 September 2015	31	4
2	30 November 2015	35	6
3	29 January 2016	9	1
4	31 March 2016	4	0
5	31 May 2016	1	0
	Total	80	11

Managing Attendance

The PPS manage sickness absence in line with NICS sickness absence policies. E-learning packages on managing sickness absence have been available for all staff throughout the year.

Performance Management

The NICS People Plan sets out clear commitments for all Departments in relation to performance management and the activities that will deliver on those commitments.

Learning and Development

The Service's Corporate Training Plan for 2015-16 was built around the training needs which were identified by senior management in consultation with the Departmental Training Unit. Throughout the year, the Training Unit ensured that generic training needs were addressed and delivered to the required standard.

In addition to generic training delivered by the Centre for Applied Learning (CAL), a wide range of specialist training was procured and delivered to staff. Staff also made use of the PPS Assistance to Study for Adult Further Education programme and participated in the NICS Mentoring Scheme.

A total of 467 training days and 156 training events were attended by PPS staff. In addition seven e-learning packages were rolled out to staff.

NICS Staff Attitudes Survey

The PPS participates in the NICS Staff Attitude Survey. It provides all members of staff with an opportunity to put forward their views about the PPS, its work and their role within the organisation and the wider Civil Service. The findings of the latest survey, conducted in October 2015, have been made available to all staff.

Using the overall NICS outcome as a benchmark there were a number of areas where the PPS's findings were broadly more positive than for the NICS as a whole. These included:

- Your work
- Resources and workload
- Purpose and objectives
- Working in the department

While there were positive outcomes within the survey, the PPS did not perform well in a number of other areas, including aspects of internal communication and managing change.

The Management Board has reviewed the findings, with a particular focus on specific issues highlighted by staff. The Board is keen to ensure that action is taken to address these matters and has tasked the SAD for Resources and Change with examining the results in detail and developing an action plan in response.

FCPS Programme – Service Effectiveness

A range of initiatives, focusing in particular on performance management and the delineation of structures and roles, have been taken forward by the Service Effectiveness project team. Key objectives during the year have included the development of induction materials, drafting of template performance agreements and the review of file allocation processes.

Working within the NICS

As a non-ministerial department, PPS is fully engaged with the NICS on HR matters and is represented on a range of committees and working groups comprising senior officials from across the NI Departments. For example, the Head of HR is a member of the HR Partners Forum (HRPF).

Health and Safety

The PPS is committed to adhering to the Health and Safety at Work (NI) Order 1978 and all subordinate legislation to ensure that staff and service users enjoy the benefits of a safe environment.

Throughout the year, a range of health and safety assessments were carried out, not only on an individual basis, but in relation to buildings and various facets of the work within the PPS. A number of minor accidents were also investigated over the course of the year.

TUS Consultation

The PPS has agreed consultation arrangements with the Northern Ireland Public Service Alliance (NIPSA) and the First Division Association (FDA), and meets formally several times per year. In addition, trade union side is regularly consulted on matters relating to employees' terms and conditions.

Corporate Social Responsibility

During the year, the PPS continued to work in partnership with Business in the Community (BITC) to promote and deliver the various challenges and volunteer projects as set out in the Employee

Engagement Action Plan. For example, PPS staff took part in the '£ for lb' Challenge, where the participants raised money for their nominated charity, Chest, Heart and Stroke. PPS staff also volunteered for the Silver Surfers' Day which is a day for volunteers to help senior citizens with access to the internet.

Business Improvement Team

During the year a number of efficiency and effectiveness reviews have been carried out by the PPS Business Improvement Team. Activity has included an evaluation of the VWCU (including a VWCU stakeholder analysis) and a review of the PPS Private Office. The Team has also provided ongoing consultancy support for the TWG and the various Justice Act initiatives.

Performance Analysis

Management of Corporate Performance

Role of the Management Board

The PPS Management Board supports the Director in his leadership of the PPS and in reaching decisions on the strategic direction of the Service. At present the Board receives standing information for each meeting on key areas of performance including achievement against agreed key delivery targets and financial data.

The Performance Sub-Committee, chaired by the Deputy Director, supports the Board in meeting key organisational performance standards and targets. Matters considered include case progression, performance against delivery targets and issues arising from the quarterly performance and accountability meetings (see below). From 1 April 2016, this role has been passed to the Service Delivery Committee.

Details of the Board's activity, and the various committees of the Board, are set out at page 44.

Performance and Accountability Meetings

Performance and accountability meetings (PAMs), led by the Deputy Director and Senior Assistant Director for Serious Crime and Regional Prosecutions, are held on a quarterly basis. The PAMs framework commenced in July 2014 and involves all Assistant Directors and their key personnel. Issues discussed during PAMs include:

- The steps being taken to address any deficits in performance identified via the Service's key performance measures and other performance reports.
- Details of business plan objectives which were not being met or where there has been significant slippage.
- Matters which may impact on the future performance of the Region / Section (for example, resource changes or potential increases in workload).
- Key operational or legal matters, such as the conduct of high profile cases and legal quality assurance.
- Updates on any action points agreed at previous meetings.

Production of performance information

All statistical and financial information is provided by professionally qualified teams within Corporate Services. For example, all casework and performance statistics are provided by statisticians from NISRA, seconded to the PPS. Data are extracted from the PPS Case Management System (CMS), the bulk of which are received via Causeway from CJSNI partners. Financial information is provided in accordance with the Government Financial Reporting Manual, Managing Public Money NI and guidance from the Department of Finance. All transaction records are provided from the Account NI shared service system.

Performance against Key Delivery Targets during 2015-16

Background

The PPS Annual Business Plan for 2015-16 set out how the PPS's objectives were to be taken forward and included a total of 23 key delivery targets against which the performance of the Service was to be measured. These targets spanned the four PPS strategic priorities (see above).

Details of the Service's caseload and performance for the year are set out below, including information in respect of longer term trends where appropriate.

A summary of the Service's achievement against the agreed key delivery targets is presented at Annex B.

Caseloads

A total of 43,914 files were received in 2015-16 compared with 45,383 in 2014-15.

Over recent years, there has been a steady decline in file numbers, the current volume representing a decrease of 17.6% on the 53,271 cases received in 2011-12. This trend is largely the result of a fall in less complex summary cases, for example involving motoring offences, minor disorder and lower value retail theft. Many such offences are now being dealt with directly by PSNI by way of Penalty Notices for Disorder (PND) or police discretionary disposals.

While there has been a reduction in the overall number of files received compared with 2011-12, numbers in the most serious case categories have been sustained. The overall number of cases received by the regions in 'case weight' categories 1 – 4 (including homicide, sexual offences, serious fraud / dishonesty and other serious offences), and which are normally dealt with by Senior Public Prosecutors, was 3,962. This compared with 3,921 in 2014-15, 3,529 in 2013-14, 3,926 in 2012-13 and 4,132 in 2011-12.

Decisions Issued

Just under 52,000 prosecutorial decisions were issued by the Service during 2015-16, which included 1,775 decisions for prosecution on indictment (i.e. in the Crown Courts) and 29,621 for summary prosecution (i.e. in the Magistrates' Courts).

The Evidential Test for Prosecution was met in the majority of cases considered by public prosecutors during 2015-16. Of the 51,872 persons subject to a prosecutorial decision, seven-tenths (70%) were issued with a decision for prosecution or for diversion from the courts. This was a similar outcome to the previous year.

Over the five year period from 2011-12, the volume of decisions issued has fallen by 18.5% (from 63,628 to 51,872), broadly mirroring the decline in case receipts.

Performance during 2015-16

STRATEGIC PRIORITY 1:

Delivering an efficient and effective prosecution service

Quality Assurance

Dip Sampling

A key component of the PPS's legal quality assurance arrangements is the dip sampling of cases by Assistant Directors. All cases for dip sampling are selected independently by statisticians from the Northern Ireland Statistics and Research Agency (NISRA).

During the year, 263 cases were dip sampled under the new PQS framework introduced in May 2015. An analysis of the findings has shown the quality of decision-making to be high, with 96.9% of decisions assessed as having been taken in accordance with the Code for Prosecutors.

The number of cases dip sampled during 2015-16 was significantly lower than in 2014-15 (855). This was largely due to the introduction of the PQS framework. PQS provides for a smaller number of more in-depth reviews by senior personnel; rather than focusing on prosecutorial decisions only, Assistant Directors are now asked to consider a total of 19 questions, covering topics such as the quality of advice to police, the conduct of disclosure and the standard of services delivered to victims and witnesses. Resources have also been a factor, as the number of Assistant Directors has reduced from 8 to 6.

No Bills and Acquittals by Direction

In addition to monthly dip sampling, senior managers have reviewed a range of serious cases in the Crown Court where there has been a No Bill or an acquittal by direction.

During 2015-16, a total of 20 No Bills (all charges) were granted and there were 36 acquittals by direction. While the number of No Bills was below the target of 36 (based on the two year average for 2013 and 2014), the number of acquittals by direction exceeded the target (21).

The numbers of No Bills and Acquittals by Direction must be viewed in context:

- During 2015-16, 1,026 defendants were dealt with in the Crown Court and therefore No Bills and acquittals by Direction represented a small percentage (1.9% and 3.5% respectively) of the overall total; and
- The overall conviction rate in the Crown Court remained high at 81.6%. The equivalent figure for 2014-15 was 85.1%.

It should be noted that the number of defendants disposed of in the Crown Court represents a significant reduction on 2014-15. This reflects the impact of the withdrawal of defence services by the Law Society and the Bar Council for Northern Ireland over the period from May 2015 to February 2016.

Review of Charges

The PPS target is to review 90% of charge sheets in 28 day charge cases within at least 3 working days of first appearance at court.

While overall performance during 2015-16 was below the target, at 86%, the target was met in all regional offices with the exception of Belfast and Eastern. To some extent performance in Belfast and Eastern was affected by the restructuring of the Service, which saw the transfer of prosecutors and supporting administrative functions to Belfast during the fourth quarter in preparation for the closure of Ballymena and Lisburn Chambers.

Timeliness of Decisions

Performance in respect of the timeliness of prosecutorial decisions is monitored by senior management on an ongoing basis. The PPS's Annual Business Plan for 2015-16 included 10 timeliness targets, covering the issue of indictable prosecution decisions, summary prosecution decisions, diversionary decisions and no prosecution decisions. Of the 10 targets, 9 were achieved (see Annex B).

The target which was not met related to one of the two targets agreed for indictable prosecution decisions, reflecting the most serious categories of case considered by prosecutors. The target, to issue 80% of indictable decisions in 180 days, was missed by a narrow margin (79.5%).

The impact of the Voluntary Exit Scheme has been a significant factor in this regard, particularly during the latter part of the year. This has resulted in the loss of 79 legal and administrative staff, including a number of the PPS's most experienced Senior Public Prosecutors. The need to mentor replacement personnel (typically Public Prosecutors on temporary promotion) has caused additional resource pressures.

The time taken for decision information requests (DIRs) continues to be a key issue in the time taken to issue decisions, particularly in more serious cases; over half of the indictable prosecution decisions issued by PPS during 2015-16 required one or more DIRs²

STRATEGIC PRIORITY 2:

Building the confidence and trust of the community we serve

Public Confidence – NI Omnibus Survey

On an annual basis the PPS commissions questions for inclusion in the Northern Ireland Omnibus Survey, which is carried out by NISRA's Central Survey Unit. A total of seven questions were included in the 2015 survey to gauge public awareness of the PPS and its role. Key results were as follows:

² A Decision Information Request (DIR) is issued by PPS to police where the evidence and information contained in an investigation file is incomplete and a further written report or action from the police is required.

- Nearly three-quarters (74%) of those who had heard of the PPS were very or fairly confident regarding the fairness and impartiality of the Service. This compared with 71% in 2014 and 68% in 2013.
- 67% of respondents were very or fairly confident that the PPS is effective at prosecuting people accused of committing a crime. This was a similar outcome to 2014.

The results of the survey, which were published in April 2015, have been considered by senior managers and will help to inform the development of PPS policy.

Sustainable Development

Details of the Service's sustainability activity are presented at page 24.

STRATEGIC PRIORITY 3:

Strengthening our capability to deliver

Payment of Suppliers

PPS is committed to the prompt payment initiative which sets out a target for Northern Ireland Departments to pay 95% of external supplier invoices within 10 working days of receipt of valid invoices. PPS payment processing is now conducted by Account NI and performance is monitored monthly. For the year to end March 2016, PPS paid 93% of invoices within 10 working days and 97% within 30 days. The equivalent performance for 2014-15 was 92% and 97% respectively.

During 2015-16 there were practical difficulties in meeting this target, in that the departure of staff under the VES, and the numerous staffing moves associated with PPS restructuring, have caused delays in the Account NI management approvals process.

The Service had also set a target for 80% of purchase orders to be compliant with Account NI procurement guidance. The outcome for the year was 72.4%. A programme of refresher training is currently underway, and it is intended to review progress later in the year once the PPS restructuring has been completed.

Freedom of Information

During the year a total of 65 requests were dealt with under the Freedom of Information Act. Only one request was not dealt with within the required time limit of 20 working days. This was a particularly complex case which involved a number of novel elements for the Service, and where detailed advice from the senior management team was required.

Complaints

Targets in this area relate to the acknowledgement of complaints (95% within 5 working days), and the completion of complaints (95% within 20 working days). In 2015-16 performance was below the required level at 90% and 81% respectively, although in both instances there was an improvement on the previous year.

Further improvement is anticipated during 2016-17. Staff from the Central Management Unit (CMU) now monitor all complaints from receipt and, where necessary, will issue an acknowledgement to the complainant. Reminders are also issued to the relevant AD after 15 working days. Where a response is likely to be delayed beyond 20 working days, CMU staff will issue a holding reply on behalf of management, indicating the likely timescale for completion.

STRATEGIC PRIORITY 4:

Building the Capability of our People

Sickness and absenteeism

The Minister for Finance and Personnel set sickness absence targets for all NICS Departments covering the period 2010 to 2015. The PPS target for 2015-16 was 7.5 working days lost per whole time equivalent member of staff. The outcome for the year (based on estimated NICS data) is likely to average 11.1 days lost per member of staff.

The Minister also set targets to reduce long-term sickness. The PPS target for 2015-16 was to achieve a long-term frequency rate of 7.6% or lower. The provisional end of year figures show the PPS rate at 11.5%.

During 2014-15 the PPS had recorded the lowest level of sickness absence across all NICS departments (8.2 days on average). The increase during 2015-16 is in line with the overall NICS trend; only one department is currently on course to meet its target for average working days lost. This can be attributed to a number of factors, including the impact of the VES and the effects of restructuring across the NICS.

Financial Performance during 2015-16

A reconciliation of the resource expenditure as declared within the Estimates, Accounts and Budgets has been provided below. The only reconciling item is voted expenditure outside budget in respect of the notional audit fee due to the Northern Ireland Audit Office.

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2015-16 £000	2014-15 £000
Net Resource Outturn (Estimates)	38,073	33,932
Adjustments:		
Non Voted Expenditure in the resource account	-	-
Net Operating Costs (Accounts)	38,073	33,932
Adjustments:		
Voted Expenditure outside budget	(38)	(42)
Resource Budget Outturn (Budget)	38,035	33,890
of which:		
Departmental Expenditure Limits (DEL)	37,912	33,748
Annually Managed Expenditure (AME)	123	142

Statement of Assembly Supply

As a non-ministerial department the PPS is financed directly from the Northern Ireland Consolidated Fund through the supply process operated by the Department of Finance (DoF) (DoF – formerly the Department of Finance and Personnel).

Each year the PPS is given approval for its expenditure when the NI Assembly votes the Main and Supplementary Estimates. As set out in the Statement of Assembly Supply, the Department was voted a Resource Estimate Provision of £38,930k for 2015-16 (£37,272k for 2014-15). Details of the PPS Estimate are available from the DoF website.

The PPS outturn for 2015-16 was £38,073k (£33,932k in 2014-15) as shown in the Statement of Assembly Supply. This was £857k lower than the net resource limit and approximately £216k of this easement was in respect of reduced levels of expenditure on the fees of external counsel as a consequence of the withdrawal of services by the defence (see 'Long Term Expenditure Trends', page 73). The remaining easement was primarily in respect of staff costs in light of the Voluntary Exit Scheme (VES).

The net cash requirement of the Department, at £36,344k, was £614k less than the Assembly limit as set out in the Reconciliation of net resource outturn to net cash requirement (SOAS 3).

Statement of Comprehensive Net Expenditure

The Statement of Comprehensive Net Expenditure represents the total net administrative and programme resources consumed. The costs during 2015-16 were £38,073k (£33,932k in 2014-15) and included income of £464k (£992k in 2014-15) as analysed at note 5. The main increase in costs in 2015-16 is £2,847k of VES payments to staff leaving the Service during the period. The financial operating performance of the Department has been considered in detail under Long Term Expenditure Trends.

Statement of Financial Position

The Department was in a net equity position of £2,773k at 31 March 2016 (£3,330k as at 31 March 2015). Total assets comprised property, plant and equipment, intangibles, trade receivables and cash of £10,553k (£10,639k as at 31 March 2015). The Department had liabilities and provisions of £7,780k (£7,309k as at 31 March 2015).

Incentivisation

The PPS is an approved recipient of incentivisation receipts under the DOJ's Asset Recovery Incentivisation Scheme, and as such is eligible for 22.5% of funds recovered from confiscations secured on conviction under the Proceeds of Crime Act 2002. Incentivisation receipts totalled £613k in 2011-12, £245k in 2012-13, £346k in 2013-14, £718k in 2014-15 and £364k in 2015-16. The funding received during the year contributed to a number of initiatives, including PPS IT infrastructure improvements.

The realisation of cash has become increasingly difficult in the current economic environment and therefore these amounts are not easy to forecast. Depending on the timing of receipts, these funds can also be difficult to use effectively as they are not subject to automatic End of Year Flexibility.

Payment of Counsel Fees

The DoJ introduced the Legal Aid for Crown Court Proceedings (Costs) (Amendment) Rules (Northern Ireland), which came into effect on 5 May 2015 reducing the level of legal aid payments. During May, the General Council of the Bar of Northern Ireland and the Council of the Law Society of Northern Ireland (the "profession") announced the withdrawal of Crown Court criminal defence services in protest against the new rules.

The PPS introduced a new fees payment scheme (Scheme C) for external counsel on 3 August 2015 which broadly aligned PPS fees with the DOJ rates introduced in the Crown Court for the defence. Due to the withdrawal of defence services however, new work in the Crown Court effectively ground to a halt, with cases being adjourned and listings pushed back. The profession was given leave to judicially review the DoJ scheme, but the parties moved to mediation and a negotiated settlement led to a revision of the rates. PPS was forced to mirror these rates in order to ensure parity of representation between the victim of the crime and the defendant.

Under the previous Prosecution Fee Scheme the PPS had introduced rates payable in the Magistrates' and Youth Courts which are similar to England and Wales, which led to the withdrawal of services from these courts by members of the NI Bar. In conjunction with reductions in PPS staff numbers, these rates have been increased under Scheme C to ensure sittings can be covered by external counsel where necessary.

Future Developments

The main factor influencing the future financial performance of the PPS is the need to operate within a reduced baseline. The PPS will complete implementation of the Departmental Savings Delivery Plan agreed by the Management Board and the DoF during 2016-17.

Due to the Assembly elections in May 2016, a one year budget was agreed for 2016-17. The DoF will commission a budget exercise over the summer of 2016 to set budgets for 2017-2020 and it is anticipated these will be approved in the third quarter of the year.

Declaration

I confirm that this Performance Report reflects the position of the Public Prosecution Service for the year ended 31 March 2016.



Barra McGrory QC
Accounting Officer

16 June 2016

Part 2: Accountability Report



Corporate Governance Report

Director's Report

Accountability Arrangements

The PPS was established on 13 June 2005 by the Justice (Northern Ireland) Act 2002. The Service is headed by the Director of Public Prosecutions for Northern Ireland, Barra McGrory QC, who was appointed on 7 November 2011. The responsibilities of the Director are specified in the 2002 Act.

Since the devolution of policing and justice to the Northern Ireland Assembly in April 2010, the PPS has been designated as a non-ministerial government department. Funding for the PPS is provided by the Northern Ireland Assembly through the bi-annual Estimate process (main and supplementary). As Accounting Officer for the Service, the Director of Public Prosecutions is responsible for ensuring that the public monies provided are used efficiently and effectively. All members of staff are Northern Ireland Civil Servants.

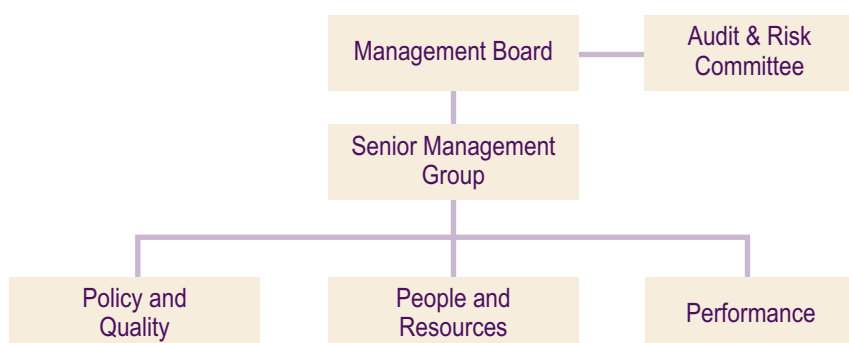
In May 2010 John Larkin QC was appointed as the Attorney General for Northern Ireland, as part of the devolved justice arrangements. The Justice (Northern Ireland) Act 2002 provides for the Director and Attorney General to consult with each other from time to time on any matter for which the Attorney General is accountable to the Northern Ireland Assembly. In accordance with the 2002 Act the functions of the Director shall be exercised by him independently of any other person.

At present a number of prosecutorial matters are reserved to Parliament at Westminster. Duties in respect of these matters are performed by the Advocate General for Northern Ireland, The Rt. Hon. Jeremy Wright QC, who is the Attorney General for England and Wales.

Management Structures

The PPS Management Board comprises the PPS Senior Management Team (Director, Deputy Director and two Senior Assistant Directors) and two independent members. The Board is assisted by the Audit and Risk Committee (ARC), the remit of which is to provide assurances to the Director that governance arrangements within the Service are operating effectively. There are also four sub-committees, which play key roles in the overall governance of the PPS (see organisation chart below). All sub-committees are chaired by a Management Board member and have clear terms of reference, covering the scope of any decision-making and the reporting requirements for the Board.

PPS Board Structure 2015-16



Details of the Management Board's membership and key activities during 2015-16 are set out later in this report (see 'Governance Statement', page 43). Information regarding the remit of the ARC and the Board's sub-committees is also provided.

Corporate Governance

The PPS is committed to high standards in corporate governance. The policy of the PPS is to ensure that effective risk management processes are maintained which serve to improve the quality of decision making and the ability to deliver on strategic and operational objectives. The PPS risk management framework complements the current Corporate Plan, Annual Business Plans and financial management arrangements which together provide the systems to manage the Service's resources.

Register of Interests

All members of the Management Board are required to disclose significant interests or anything which may conflict with their responsibilities as Board members (see 'Governance Statement', page 44). A register of interests is maintained by the Service and conflicts of interest are declared at each Management Board meeting. Access to the register can be arranged by email request to info@ppsni.gsi.gov.uk or can be viewed on the PPS website at www.ppsni.gov.uk/publications/corporate-governance.

Personal Data Related Incidents

Full details of the personal data related incidents during the year are set out at Annex C. No incidents were reported to the Information Commissioner's Office.

Statement of Accounting Officer's Responsibilities

For the Year Ended 31 March 2016

The Department of Finance has appointed the Director of Public Prosecutions as Accounting Officer of the PPS. 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 PPS assets, are set out in Managing Public Money NI issued by the Department of Finance.

Under the Government Resources and Accounts (Northern Ireland) Act 2001 the Department of Finance has directed the Public Prosecution Service for Northern Ireland (PPS) to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Service during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PPS, and of the net resource outturn, the 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 the Department of Finance, 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 accounts;
- Prepare the accounts on a going concern basis;
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable; and
- Confirm that he takes personal responsibility for the annual report and accounts and the judgment required for determining that it is fair, balanced and understandable.

As Accounting Officer, the Director has taken appropriate steps to make himself aware of relevant audit information and to establish that the C & AG is aware of that information. To his knowledge there is no relevant audit information of which the C & AG is unaware.

Governance Statement

1. Introduction

As the Accounting Officer for the Public Prosecution Service (PPS), the Director is responsible for maintaining a sound system of internal control that supports the achievement of the Service's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which he is personally responsible.

This Governance Statement is a key feature of the PPS's annual report and resource accounts. It provides details of how the Accounting Officer has ensured the effective management and control of resources during 2015-16 and the action taken to ensure effective risk management and a high standard of corporate governance.

2. The PPS Governance Framework

The PPS governance framework aligns with the key principles set out in the Department of Finance's (DoF) guidance, 'Corporate Governance in Central Government Departments: Code of Good Practice NI' (2013). The Management Board has approved a corporate governance framework document which provides detailed information on the system of direction and control within the PPS. A copy of this document is available on the PPS website at www.ppsni.gov.uk.

The PPS's corporate governance arrangements comply fully with DoF's guidance, except in one regard. The guidance states that in non-ministerial departments, there should be an agreement as to which Minister(s) should answer for the department's affairs in the Assembly (paragraph 1.4). However, under current arrangements there is no agreement as to which Minister from within the NI Executive should answer for the PPS in the Assembly. Assembly Questions, which cannot be answered by any other Department, are therefore dealt with via correspondence with the MLA concerned.

3. The Management Board

The Management Board's objectives are to: ensure the Service achieves its strategic vision and aim; ensure accountability for the Service's performance; and provide assurances that the PPS is managed effectively.

During 2015-16, the Management Board met on eight occasions. Members of the Board and individual's attendance at Board meetings during the year were as follows:

Board Member / Title	Attendance (Out of 8 Meetings) *
Barra McGrory QC Director (Chair of Management Board)	8
Pamela Atchison Deputy Director	6
Ian Hearst Senior Assistant Director (SAD) Resources and Change	8
Stephen Herron SAD Serious Crime and Regional Prosecutions**	8
Christopher Welford Independent Board Member	8
David Hughes Hallett Independent Board Member	8

* Excludes an additional planning event held on 29 January 2016.

** Revised job title from January 2016, reflecting the implementation of the Serious Crime Unit.

The Management Board carries out its business according to an agreed operating framework which sets out the Board's objectives and remit, membership, responsibilities and procedures. This operating framework was last reviewed by the Board in January 2016.

All members of the Management Board are required to disclose significant interests or anything which may conflict with their responsibilities as Board members. A register of interests is maintained by the Board Secretariat. The Senior Assistant Director for Serious Crime and Regional Prosecutions declared an interest in the NICS Review of Legal Grading which commenced in October 2015.

Priority Issues for the Board during 2015-16

Funding

During the year, a series of discussions by the Board have focused on the funding position in 2015-16, 2016-17 and the Service's future baseline. In June 2015 a final Savings Delivery Plan was submitted to DoF setting out a radical Transformation Programme for the Service which was designed to deliver savings of £3.5 - 4 million per annum by 2017-18. PPS has proceeded with implementation of the Transformation Programme during 2015-16 (see below) and has seen substantial savings arising in year.

The Assembly received a four year budgetary settlement for the NI Block in November 2015 but, in light of the elections in May 2016, determined that a one year budget should be set for 2016-17 and a three year budget negotiated thereafter with newly elected representatives.

Under the 2016-17 settlement PPS has received a 5.7% (or £1.8 million) reduction in the baseline for 2016-17. At the direction of the Board, DoF has been made aware of the limitations on the Service to introduce any further savings initiatives, and therefore the need for PPS to bid for additional funding in-year.

Transformation Programme

The Transformation Programme was established by the PPS Management Board to take forward a fundamental review of the delivery of the Service's functions, in the light of the proposed budget settlements for 2015-16 and the next Spending Review period.

The Transformation Working Group (TWG) commenced in October 2014 in order to support the Board in the consideration of future operational structures and plans. A new model for the Service was formally signed off in September 2015.

From October 2015 the Board extended the role of the TWG to focus on the implementation of the new model, covering all aspects of the implementation phase, including people, property and processes. The SAD for Resources and Change, as Chair of the TWG, has provided regular progress reports to the Board.

At their planning meeting in January 2015, Board members had acknowledged that many of the necessary changes would only be achievable in the medium term. However the Board was forced to accelerate the Transformation Programme, with the new structures implemented in January 2016. The office closure programme was also moved forward. This was largely due to the impact of the NICS Voluntary Exit Scheme; the loss of staff through the scheme meant that there was a need to consolidate operations in order to ensure the ongoing delivery of the Service's core prosecution functions.

Quality of the Data Used by the Board

At present the Board receives standing information for each meeting on key areas such as finance, human resources and performance. Briefing papers on other material issues are provided as they arise. All papers are issued a week in advance of any Board meeting to allow members to review and, where appropriate, to raise questions in advance. Representatives from the relevant business area can then be requested to attend to support discussions or be required to produce more detailed information in advance of the meeting.

All statistical and financial information is provided by professionally qualified teams within Corporate Services (see page 31). Accordingly the Board considers that it can take assurance as to the quality of the data it uses to inform decision-making.

Board Evaluation

The Management Board operated effectively during 2015-16, fulfilling its role as set out above.

The Board undertakes an annual evaluation of its performance. The most recent evaluation was conducted in January 2016 and was structured around six key themes, including: Board size and structure; leadership; decision-making; performance monitoring and financial management; risk management and governance; and delegation and communication.

All members were satisfied with the overall compliance of the Board in each of these areas, including:

- The membership of the Board;
- The organisation of agendas; and
- The financial, performance and other management information provided.

The main issues raised by members were as follows:

- Given the significant changes underway, it was critical for the Board to ensure that effective governance arrangements remained in place throughout the period of transition, as well as effective succession planning and horizon scanning.
- There was a need to ensure, where possible, that all Board members are consulted in respect of all major / urgent decisions taken outside the Board meetings.

The frequency of Board meetings had been raised as an issue during the Board's 2015 evaluation. It was agreed to maintain the number of meetings at eight for the 2015-16 financial year. This was to ensure that members had an up to date picture of the Transformation Programme and the Service's funding position. The frequency of meetings will be re-evaluated during 2016-17.

4. Committees of the Board

Audit and Risk Committee

The Management Board is assisted by the Audit and Risk Committee (ARC). The ARC consists of three independent non-executive members, Christopher Welford (Chair), David Hughes Hallett and Majella Meegan. Christopher Welford and David Hughes Hallett also sit on the Management Board.

The ARC functions in accordance with best practice contained in the Audit and Risk Assurance Committee Handbook (NI) (March 2014). It operates under agreed terms of reference which are reviewed annually. Meetings are attended by representatives of the Northern Ireland Audit Office and by the Head of Internal Audit. The remit of the ARC is to provide assurances to the Director that governance arrangements within the Service, including the management of risk, are operating effectively.

During the financial year, the ARC met on four occasions and dealt with a wide range of issues relating to internal control, risk management, governance and accountability. These included the consideration of:

- Risks reported by way of the corporate risk register;
- Corporate reputational risk;
- The quarterly statements of assurance;
- Internal audit work plans and reports;

- Information assurance;
- The annual report and resource accounts for 2014-15; and
- The NIAO's External Audit Strategy and Report to Those Charged with Governance.

During the year the ARC received regular updates from the Head of Internal Audit. The Committee also examined progress against previous audit reports and were satisfied that recommendations were being adequately addressed.

A report on key issues discussed at Audit and Risk Committee meetings was provided for each Management Board meeting by the ARC Chair. The ARC also completed its annual report for 2015-16, summarising the work of the committee and providing its opinion on the comprehensiveness and reliability of the assurances available to support the Board and, particularly, to support the Director in his accountability obligations. The ARC provided the Accounting Officer with the following assurances:

- On the Annual Report and Resource Accounts it has reviewed;
- From the information provided it appeared that all significant risks were being proactively managed by the PPS's senior management team and that appropriate management controls were in operation;
- Issues pertinent to the 2015-16 Governance Statement, such as the withdrawal of criminal defence services and the budget settlement, were being managed appropriately; and
- On the quality of both internal and external audit, with their approach to the discharge of their respective responsibilities and the assurances that could be placed on their work.

Board Sub-Committees

The Board's sub-committees play a key role in the governance of the PPS. During 2015-16 the Board operated four sub-committees, as follows:

- Senior Management Group.
- People and Resources Sub-Committee.
- Policy and Quality Sub-Committee.
- Performance Sub-Committee.

The Senior Management Group (SMG)

SMG comprises the Deputy Director (as Chair) and the Senior Assistant Directors, and meets on a monthly basis. SMG's purpose is to ensure there is effective co-ordination and decision-making across the full range of PPS operational and policy issues, as well as effective communication between the Management Board, the PPS senior management team and all Board Sub-Committees.

The SMG, met on 9 occasions during 2015-16 and considered a range of matters including the corporate risk register, strategic financial, performance and resource issues, the briefing of Counsel and procurement / business cases.

People and Resources Sub-Committee

People and Resources is chaired by the SAD for Resources and Change, and considers the key financial and resource issues impacting on the Service. The Sub-Committee met on 10 occasions during 2015-16. The sub-committee examined a range of human resource issues, and provided oversight in terms of budgetary monitoring, procurement, health and safety and equality and diversity matters. Members maintained a particular focus on the Service's capacity and resource planning in the light of the ongoing Transformation Programme and the implementation of the NICS Voluntary Exit Scheme.

Policy and Quality Sub-Committee

Policy and Quality, chaired by the Deputy Director, is responsible for considering the key legal policy issues impacting on the PPS. The Sub-Committee met on 2 occasions during 2015-16. Matters considered included the monitoring of progress against the Quality Assurance Team's work programme, the examination of legal policy guidance (for example, the revised Code for Prosecutors) and new QA dip sampling arrangements.

Performance Sub-Committee

The Performance Sub-Committee, chaired by the Deputy Director, supports the Board in meeting key organisational performance standards and targets. The Sub-Committee met on 2 occasions during the year. Matters considered included case progression in indictable cases and performance against corporate performance measures.

It should be noted that the Policy and Quality and Performance Sub-Committees did not meet according to the agreed schedule. This was largely to accommodate the regular meetings of the Transformation Working Group which were attended by all senior managers and Corporate Services Heads of Branch. In the interim, relevant issues have been taken forward by the SMG (e.g. corporate performance) and the Legal Guidance and Advice Strand of the Transformation Programme (e.g. policy priorities).

All sub-committees had clear terms of reference, covering the scope of any decision-making and the reporting requirements for the Board. At each meeting of the Management Board the respective Sub-Committee Chairs provided members with an overview of the main issues discussed. Full minutes of all Sub-Committee meetings were also circulated to Board members.

Review of Board Structures

A review of the Service's board structures has been carried out in order to consider the impact of organisational restructuring and the reduction in senior management posts. The outcome of the review was reported to the Management Board in November 2015 and revised structures (including terms of reference) were signed off by members in February 2016. Key changes include:

- A 'reboot' of the Senior Management Group so that there is a greater focus on strategic governance and performance issues (for example, corporate risk, performance against corporate key performance measures), with an additional responsibility for setting the broad legal policy agenda for the Service. A secondary role will be to provide oversight of the People and

Resources and Service Delivery Committees (see below), providing assurances to the Board and ensuring that issues of common interest across the committees are being progressed. The SMG will continue to be chaired by the Deputy Director.

- Implementation of a new Service Delivery Committee (SDC), focusing on major operational issues, for example quality assurance, the effectiveness of case management arrangements, operational performance and victim and witness engagement. The SDC, which is attended by all ADs, is chaired by the SAD for Serious Crime and Regional Prosecutions.
- The People and Resources Committee (PRC), chaired by the SAD for Resources and Change, will be responsible for the effective management of our financial and staff resources. It will also have a strengthened role in managing organisational change and the implementation of corporate change initiatives. Membership will include two ADs (positions to be rotated) and the Heads of Finance, Human Resources and Central Management Unit.
- The Director's Review Meeting (DRM) will be a weekly update meeting (for example, to provide details of any meetings to be held with key stakeholders) for the Director, Deputy Director and SADs. This will operate according to an agreed agenda, with records maintained of all decisions and action points.

The Management Board and ARC remain unchanged, based on the existing terms of reference and membership.

The new structures came into effect in April 2016 and will be evaluated at the end of the 2016-17 financial year.

5. Risk Management

The PPS risk management policy sets out the framework for the management of risk and promotes a consistent approach across the Service. The Director, supported by the PPS Management Board, has overall responsibility for ensuring that an effective risk management process is established, for agreeing the Service's Risk Management Framework and for defining its risk appetite.

The Senior Management Group undertakes regular and detailed oversight of the key corporate risks and the Service's risk management capability. Assistant Directors (SCS Grade 5) and Corporate Services Business Heads are responsible for maintaining effective risk management arrangements within their own areas. The quarterly assurance statements include an assessment of local risk management practice against the PPS risk management policy.

All risks set out at corporate level are owned by members of the Management Board.

Corporate Risk Profile

The Corporate Risk Register is aligned with the four strategic priorities of the PPS. During 2015-16 the Board identified 11 corporate risks that could, if not managed properly, have reduced the Service's ability to deliver against its strategic priorities. These were as follows:

Strategic Priority	Risk Area
Efficiency and effectiveness	<ul style="list-style-type: none"> • Tackling avoidable delay. • The extent of the assurances provided via the legal quality assurance framework.
Public confidence	<ul style="list-style-type: none"> • The delivery of services to victims and witnesses. • Communication with stakeholders and the public. • Interface with PPS partners. • PPS response to the review by Sir Keir Starmer.
Capability to deliver	<ul style="list-style-type: none"> • Implementation of the Transformation Programme. • Uncertainty regarding future funding. • Management of high profile / historical cases.
People	<ul style="list-style-type: none"> • Capacity and capability. • Effectiveness of the performance management framework.

New risk areas identified for 2015-16 included the review by Sir Keir Starmer and capacity and capability. The Starmer Review was identified as a key risk in that an effective PPS response was required in order to maintain the confidence of victims and the wider public (see page 21). A further risk was highlighted in response to the Voluntary Exit Scheme, in particular the loss of a large number of experienced prosecutors and administrative staff. DHR is managing this position, for example by ensuring that public prosecutors are available to fill Senior Public Prosecutor roles via temporary promotion.

During 2014-15 the Management Board had identified a risk in respect of staff engagement. Following a review of corporate risks for 2015-16, this issue was no longer considered to be a threat to delivery in key priority areas.

A corporate risk management workshop was held in January 2016. This was to allow the Management Board to review the corporate risk framework and to carry out an annual assessment of the risks facing the organisation, ensuring that all key risks were identified for the incoming financial year. These discussions have informed the development of the 2016-17 corporate risk register.

During 2015-16 the risk management framework has been complemented by a range of other control measures:

- An Incident Management Plan and a Business Continuity Plan.
- An Anti-Fraud Policy and Fraud Response Plan.
- The PPS Fraud Working Group (FWG), which provides a forum for the exchange of information and experience on fraud issues, met on two occasions. Matters considered by the FWG included anti-fraud awareness e-learning, the National Fraud Initiative and gifts and hospitality. No incidents of fraud were reported during the year.

- The Service has reviewed all new financial guidance issued by the Department of Finance (DoF) and provided briefing to the Audit and Risk Committee, setting out the relevance of any changes to the PPS and the action taken as a result – for example, with regard to updating financial policy and raising staff awareness.
- The PPS procurement and purchasing procedures have been revised and updated to reflect changes in procurement policy, Central Procurement Directorate guidance and the purchasing and payment process required through Account NI. The procurement guidance is published on the PPS Intranet.
- Two PPS staff, including the Procurement Officer, have successfully completed the CIPFA Certificate in Public Sector Procurement and have delivered internal training for key staff. A member of the Finance Team has also completed the Centre for Applied Learning's Contract Management Course.
- The Procurement team, in conjunction with Delegated Purchasing Branches, complete quarterly expenditure analyses to monitor spend against contract and identify any emerging contract requirements. The Procurement Officer maintains the PPS contract database and prepares the contract procurement plan ensuring contracts are procured on a timely basis. The contract database is published on the PPS intranet.
- A register of interests has been maintained covering all senior staff. A register of gifts and hospitality has also been maintained covering all staff.

6. Information Security

Governance arrangements in the PPS conform to the requirements set out in the Cabinet Office Security Policy Framework. The SAD for Resources and Change is the Senior Information Risk Owner. All senior managers have been designated as Information Asset Owners to provide further assurance that information assets are properly managed. Information assurance is a standing item on the agendas of the Audit and Risk Committee, with escalation to the Management Board where necessary. All Information Asset Owners are required to review information security compliance and to highlight any new assets or risks within their business areas in their quarterly assurance statements.

The PPS Business Assurance Team co-ordinates the development of the information assurance framework and data handling and security arrangements across the Service. The team also has responsibility for all aspects of security within the PPS, including physical and personnel, IT Security policy and the accreditation of ICT systems in line with government requirements. The team also provides advice and guidance to key stakeholders, such as members of Panel Counsel.

In April 2014, the PPS implemented the new Government Protective Marking Scheme. Business Assurance issued new guidance documents to staff and reviewed all existing policies and procedures. All PPS staff completed an e-learning package on the new markings, in addition to a general Information Assurance e-learning programme.

The PPS is required to ensure that PPS information systems are formally assessed in accordance with HMG Information Assurance Standard Numbers 1 and 2 (Information Risk Management). The PPS Risk Management Accreditation Document Set was previously reviewed in November 2012 and accreditation signed off until November 2014. The revised document set was completed in March 2015 with the reaccreditation process completed in June 2015.

The PPS has commenced an initiative to implement a secure e-mail service for the transfer of information between the PPS and prosecuting counsel.

The PPS has piloted the use of tablet PCs in court to replace hard copy files. The Business Assurance Team has worked closely with the PPS ICT Team to ensure appropriate standards are in place to protect data held on these devices. These controls will continue to be reviewed as the initiative rolls out.

During the reporting period a total of 18 data incidents were reported to the Business Assurance Team (see Annex C for details). None of these incidents met the criteria for PPS reporting to the Information Commissioner's Office as there was little or no evidence of any material or reputational damage. Remedial action was taken following each incident after appropriate investigations were carried out.

It should be noted that the PPS has made a payment in respect of a data incident from 2012, in which the address details of an injured party had been provided in error to the defendant in the case.

Following the incident, the appropriate steps were taken by the PPS, with the co-operation of the defence solicitor, to mitigate against further dissemination. A letter of apology was also sent to the injured party, acknowledging the error. However the injured party subsequently issued proceedings for damages in the High Court and, following consultation, the PPS agreed to an out of court settlement.

7. Effectiveness of the PPS Governance Framework

As Accounting Officer, the Director reviewed the effectiveness of governance and control systems within the PPS. This review has been informed by the work of the internal auditors and the executive managers within the PPS, who have responsibility for the development and maintenance of the internal control framework, as well as the views of the Independent Board Members and comments made by external auditors in their management letter and other reports.

The Director has also been advised by the Management Board and the ARC and is assured that there are plans to address any weaknesses and to ensure continuous improvement of the controls currently in place.

Assurances as to the adequacy of the governance, management and controls have been provided by:

Independent Parties

- The ARC, through feedback by its Chair at Management Board meetings and by review of the Committee's Annual Report.

- The Head of Internal Audit who has provided an independent opinion on the adequacy and effectiveness of the Service's system of internal control, and an opinion on significant control issues. Details of the audits completed during the financial year are set out below (see Section 10).
- Criminal Justice Inspection Northern Ireland who provide an independent assessment of business efficiency and effectiveness through a programme of thematic reviews (see Section 9).
- DoF, covering the shared services available to PPS. At present this includes HR Connect (which provides transactional HR work and a payroll service for the PPS), Account NI and the Centre for Applied Learning. In addition, the Central Procurement Directorate has conducted all procurement over £30,000 on behalf of the PPS under a service level agreement.
- The Independent Assessor of Complaints (IAC), Mr Alan Henry, who produced the latest IAC annual report in July 2015. The IAC commended the PPS for the low number of complaints received relative to its caseload. While many complaints were handled in an exemplary and highly professional manner, a number were not. As well as highlighting the importance of addressing this issue, the IAC made a number of recommendations for improvement, all of which have been accepted by the Director.

Management

- The SAD for Resources and Change who is a member of the Management Board and acts as the Principal Establishment and Finance Officer (PEFO) for the Service. In this role the SAD is responsible for ensuring that proper controls are in place to safeguard public funds and departmental assets.
- The detailed assurance statements which have been provided on a quarterly basis by senior managers who have responsibility for the development and maintenance of the internal control framework in their respective areas. For 2015-16 the assurance statements and the supporting processes have been amended in line with best practice elsewhere in the NICS. In the new format managers are asked to state whether or not a particular area of assurance is 'satisfactory' or 'not satisfactory', and then to provide supporting evidence *in either case*. Previously this was only required where there was a not satisfactory response. Significant internal control issues highlighted during the year have been recorded at Section 12.
- The regular financial and performance reports provided to the Board and senior management.

Policy and Process

- The PPS Quality Assurance Team which aims to provide an independent assessment of the quality of decision-making, case preparation and presentation within the Service. The work of the QA Team has been complemented by dip sampling by Assistant Directors. All cases found to be below the acceptable standard have been followed up by the SAD for Serious Crime and Regional Prosecutions and / or Deputy Director.

- The maintenance of casework risk registers by Assistant Directors. The registers were implemented in January 2016 and are intended to ensure that identified risks in the most serious cases are managed and mitigated. These are complemented by Prosecution Strategy Documents (PSDs) which assist the prosecutor and AD in identifying and recording any strategic issues that arise in individual cases, and to create a comprehensive record of how such issues have been approached and resolved.
- The PPS Business Improvement Team which has been commissioned to conduct a number of assignments during 2015-16. Key work areas included reviews of the Victim and Witness Care Unit and the County Court Appeals function, as well as the provision of support and technical advice to the Transformation Working Group.

8. Whistleblowing

In October 2015 an anonymous complaint was received by senior management and dealt with under the Service's whistleblowing policy.

The matter related to a member of staff who was serving on an external panel, which the complainant felt amounted to 'double-jobbing', in breach of NICS employment policy. An investigation was conducted which concluded that there had been full disclosure of the activity to senior management, and that approval had been sought and given. There was no financial impropriety, although there had been minor administration issues in terms of consistently recording attendance on HR Connect. These administrative issues have been resolved and the matter is now closed.

9. External Review

Criminal Justice Inspection Northern Ireland (CJI)

During the year, CJI published the results of a number of reviews, including Adult Safeguarding (September 2015), Giving of Reasons (October 2015), File Quality and Disclosure (November 2015) and Youth Justice (December 2015). PPS has engaged with inspectors during the course of these reviews and responded to recommendations where appropriate.

Review by Sir Keir Starmer QC

In October 2014, the Director announced that the former Director of Public Prosecutions for England and Wales, Sir Keir Starmer QC, was to conduct an independent review of three interlinked cases involving sex abuse and terror-related charges. The findings of the review were published in May 2015.

PPS has responded to the report in detail and has addressed the ten recommendations via an action plan. The measures introduced have included a new case management policy.

Recommendation 10 had specified that the Director should commission a review of the implementation of the review recommendations. Therefore, with the agreement of the Minister of Justice, CJI will carry out an independent assessment, commencing later in 2016.

10. Internal Audit

PPS 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, and by the DoJ Internal Audit team operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering PPS systems over time. The Head of Internal Audit provides an Annual Report and his professional opinion on the level of assurance that he can provide based on the work done. The Head of Internal Audit forms his professional opinion on the basis of the internal audit work completed over a three year period.

All priority issues have been addressed as part of the rolling programme and the Head of Internal Audit has provided overall satisfactory assurance.

Internal Audit Activity during 2015-16

During the financial year Internal Audit conducted a number of audit assignments, in accordance with the annual audit plan for 2015-16. Three audit reports were produced, focusing on the following areas:

- Complaint Handling (July 2015);
- Financial Management (November 2015); and
- Information assurance (April 2016).

The overall level of assurance arising from each of these reviews was 'satisfactory'.

A fourth audit, on services to victims and witnesses, had been provisionally scheduled. However at the ARC meeting in December 2015 members agreed that this should not be progressed due to the range of work already carried out in this area, both internally (for example by the PPS Business Improvement Team) and by CJI.

11. External Audit

A significant issue was raised by the Northern Ireland Audit Office as a result of their audit work, relating to the PPS's methodology for capturing counsel fee accruals. The scope of accruals in respect of counsel fees was extended for 2015-16 to take into account the number of active cases and their stage of progress as at the 31 March. This accrual was based on court list records derived from the NICTS management system (ICOS), and increased year end counsel liabilities by £617k.

12. Significant Control Issues

Criminal Defence Services – Withdrawal of Services

In May 2015 the Law Society and the Bar Council for Northern Ireland withdrew criminal defence services in response to the new Crown Court legal aid fee scheme introduced by the Department of Justice.

The Law Society and Bar Council were granted permission to seek a Judicial Review of the new scheme. In November 2015 the Judicial Review ruled that the DoJ had failed to carry out proper impact assessments in respect of the scheme. However the Judge also ruled that to strike down the scheme would be a disproportionate reaction, The Bar and the Law Society were subsequently given grounds to appeal in January 2016. The matter was resolved in February 2016.

The delay in resolving this issue meant that no new cases were conducted in the Crown Court between May 2015 and February 2016. Inevitably this has resulted in a very material reduction in prosecution counsel fees and court expenses for 2015-16 (estimated at £0.8 million). As a consequence PPS anticipates a peak in prosecution fees during 2016-17 as the Crown Courts endeavour to catch up on the backlog.

Budget Settlement

The Budget settlement received by PPS for 2016-17 is below the projected running costs of the Service for the year. PPS has considerable financial commitments in respect of the salaries of permanent staff and the lease payments of buildings. PPS has already maximised the use of the Voluntary Exit Scheme during 2015-16 and implemented significant efficiencies, for example by working with the Strategic Investment Board and Land and Property Services within the Department of Finance to rationalise the PPS estate. There are no further mechanisms available to substantially reduce running costs while maintaining the Service's existing statutory functions.

The budget settlement required the Management Board to commence the year in the knowledge that an overspend against the baseline was inevitable. Detailed discussions have been conducted with the DoF and the need for PPS to bid for additional in year funding has been recognised. The position will be closely monitored during the financial year.

13. Conclusion

The governance framework as outlined has been in place in the PPS throughout the year ended 31 March 2016 and up to the date of approval of the Annual Report and Resource Accounts, and accords with DoF guidance.

It is the Director's assessment that the PPS operates a system of governance and accountability which he can rely on as Accounting Officer to provide assurances that the public funds and other resources for which he is accountable are deployed effectively and appropriately.

During the financial year, with the exception of those matters highlighted at Section 12 above, no significant internal control weaknesses or issues have been identified, and no significant failures have arisen in the expected standards for good governance, risk management and control.

Remuneration and Staff Report

(audited information)

Remuneration Report

1. Scope of Responsibility

The salaries of the Director of Public Prosecutions and the Deputy Director are set in line with the Judicial Appointments Scale as determined by the Department of Finance.

The non-executive Directors are remunerated on the basis of a per diem rate. This was uplifted by 1% from 1 August 2015 to £515 per day in line with the recommendations of the Senior Salary Review body; who have also recommended a further 1% uplift per annum on 1 August each year up to 2020-21. In addition they are entitled to travel and subsistence expenses at NICS rates incurred while on departmental business.

The non-executive Director's remuneration is paid through the PPS's payroll and Employers' National Insurance and PAYE accounted for at source.

2. Remuneration Policy

The PPS became a non-ministerial department at the point of devolution on 12 April 2010. The majority of PPS staff underwent assimilation to NICS terms and conditions with a small minority choosing to remain under the same conditions applicable to the Northern Ireland Office.

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. This was subsequently reduced to 10 points in 2014 and 9 points in 2015 to allow progression through the pay scales within a reasonable period of time.

3. Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment 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 www.nicscommissioners.org.

4. Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Department.

2015-16 Remuneration (including salary) and pension entitlements

	2015-16					2014-15				
	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total
Statutory Appointments										
Barra McGrory QC <i>Director of Public Prosecutions</i>	175-180	-	-	71,000	245-250	175-180	-	-	68,000	240-245
Pamela Atchison <i>Deputy Director of Public Prosecutions</i>	140-145	-	-	41,000	180-185	140-145	-	-	(12,000)	125-130
Officials										
Ian Hearst <i>Senior Assistant Director of Resources and Change</i>	85-90	-	-	38,000	125-130	85-90	-	-	36,000	120-125
Stephen Herron <i>Senior Assistant Director of Regional Prosecutions</i>	85-90	-	-	44,000	130-135	80-85	-	-	50,000	130-135
Non-Executive Directors										
Christopher Welford	5-10	-	-	-	5-10	10-15	-	-	-	10-15
David Hughes Hallett	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Band of Highest Paid Director's Total Remuneration (£'000)	175-180					175-180				
Median Total	24,728					24,728				
Ratio	7.2					7.2				

* 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 decreases due to the transfer of pension rights.

Salary

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

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The PPS does not provide any benefits in kind to staff.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2015-16 relate to performance in 2015-16 and the comparative bonuses reported for 2014-15 relate to the performance in 2014-15.

Pay Multiples

The Public Prosecution Service, in line with all government bodies, is 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 annualised remuneration of the highest-paid director in PPS in the financial year 2015-16 was £175-180k (2014-15, £175-180k). This was 7.2 times (2014-15, 7.2) the median remuneration of the workforce, which was £24,728 (2014-15, £24,728). The median salary has remained steady from last year and represents the top point of the Executive Officer II scale; hence the pay band multiple did not change.

The range of staff remuneration is £160,368.

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

Pension Benefits

The Director of Public Prosecutions and the Senior Assistant Director of Resources and Change and the Director of Regional Prosecutions are members of the Alpha pension scheme. The Deputy Director was a member of the Classic scheme but withdrew from the scheme on the 31 March 2016.

Pension Entitlements

	Accrued pension at pension age as at 31/3/16 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/16 £'000	CETV at 31/3/15 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Statutory Appointments						
Barra McGrory QC <i>Director of Public Prosecutions</i>	15-20 Lump sum nil	2.5-5 Lump sum nil	256	183	44	-
Pamela Atchison <i>Deputy Director of Public Prosecutions</i>	50-55 Lump sum 160-165	0-2.5 Lump sum 5-7.5	1,146	1,127	41	-
Officials						
Ian Hearst <i>Senior Assistant Director of Resources and Change</i>	15-20 Lump sum nil	0-2.5 Lump sum nil	219	179	20	-
Stephen Herron <i>Senior Assistant Director of Regional Prosecutions</i>	20-25 Lump sum 55-60	0-2.5 Lump sum 0-2.5	304	253	19	-

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 the Assembly 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, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements moved 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.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative 0.1% and HM Treasury has announced that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Employee contribution rates for all members for the period covering 1 April 2016 – 31 March 2017 are as follows:

Scheme Year 1st April 2016 to 31st March 2017

Pay band – assessed each pay period		Contribution rates – Classic members	Contribution rates – classic plus, premium, nuvos and alpha
From	To	From 01 April 2016 to 31 March 2017	From 01 April 2016 to 31 March 2016
£0	£15,000.99	3.8%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		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 14.7% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach 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. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensionsni.

Cash Equivalent Transfer Values

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

1. Staff Numbers and Related Costs

The full time equivalent staffing of the Public Prosecution Service at 31 March 2015 was 521.5 against a capacity of 565. In order to meet reduced funding baselines the PPS Management Team agreed a programme of staff reductions, facilitated through the consolidation of business functions at a smaller number of sites. The aim was to deliver savings in staff costs while minimising the impact on front line services.

Following the restructuring of the Service, the agreed full time equivalent (FTE) capacity of the Public Prosecution Service is 483. As at 31 March 2016 the overall FTE was 457.9. There were 485 staff employed and 18 temporary staff in post. The staff complement of 485 included 157 males and 328 females. The table below provides a breakdown of staffing by grade as at 31 March 2015 and 31 March 2016.

PPS Full Time Equivalent Staffing by Grade*

Substantive Grade**	Position at:	
	31/3/16	31/3/15
Director / Deputy Director	2.0	2.0
Senior Assistant Director (UG3) / Assistant Director (UG5)	8.0	10.0
Senior Public Prosecutor and equivalent grades (6/7)	52.1	66.9
Public Prosecutor and equivalent grades (Deputy Principal)	97.2	103.0
Staff Officer	29.3	31.7
Executive Officer 1 / Executive Officer 2	79.3	93.8
Administrative Officer / Administrative Assistant	190.0	216.1
Total	457.9***	521.5

* Excludes Higher Court Advocates.

** Excludes temporary promotions and agency staff.

*** The staff complement of 485 (as at 31/3/16) included 157 males and 328 females. The 10 senior management positions (Director, Deputy Director, SADs and ADs) included 7 males and 3 females.

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

			2015-16	2014-15
Average FTE staff	Permanent Staff	Others	Total	Total
RfR A Objective A	502	7	509	549
Total	502	7	509	549

The 10 senior management positions within PPS are the Director, Deputy Director, two Grade 3 Senior Assistant Directors and six Grade 5 Assistant Directors. Of these staff seven are males and three female: the Deputy Director and two of the Grade 5 staff.

The staff costs reported in the Statement of Comprehensive Net Expenditure for the year ended 2015-16 are set out below in greater detail. Agency staff have been classified as 'other' and inward secondments refer to staff based with PPS but employed by the Northern Ireland Statistics and Research Agency.

Staff Costs

	Permanently Employed Staff	Others	2015-16 £'000 Total	2014-15 £'000 Total
Wages and Salaries	18,677	229	18,906	16,782
Social Security Costs	1,260	-	1,260	1,288
Other Pension Costs	3,690	-	3,690	1,648
Sub-Total	23,627	229	23,856	19,718
Plus Inward Secondments	-	131	131	140
Less Outward Secondments	-	-	-	-
Total Net Costs	23,627	360	23,987	19,858
Of which:				
	Charged to Administration	Charged to Programme	Total	
Total Net Costs	1,540	22,447	23,987	
Total Net Costs	1,540	22,447	23,987	

The majority of PPS staff are covered by one of the arrangements available under the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]: Alpha, Nuvos, Classic, Premium or Classic Plus. The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] is an unfunded multi-employer defined benefit scheme but the Public Prosecution Service is unable to identify its share of the underlying assets and liabilities.

The most up to date actuarial was carried out as 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 Annual Report and Accounts as at 31 March 2016.

For 2015-16, employers' contributions of £3,687,461.44 were payable to the PCSPS(NI) (2014-15, £4,967,433.25). The difference between this amount and the amount disclosed above relates to pension costs recouped on seconded staff and pension contributions to the Broadly By Analogy schemes detailed below.

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 Alpha from April 2015. For 2016-17, the rates will range from 20.8% to 26.3% (2014-15, 18% to 25% under previous schemes). The contribution rates are set to meet the cost of the benefits accruing during 2015-16 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' contribution of £3,145 (2014-15, £1,401) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 14.7% (2014-15, 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £nil, nil% (2014-15, £150, 0.8%) of pensionable pay, were payable to the NICS Pension Arrangements to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

No persons (2014-15, 2 persons) retired early on ill-health grounds; the total additional pension liabilities in the year amounted to £nil (2014-15, £2,432).

Under IAS19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave at the year-end which has been determined using data from staff leave records.

The PPS did not have any off payroll engagements during the year 2015-16 nor were there any such arrangements during 2014-15.

Expenditure on consultancy during 2015-16 was £6k (2014-15, £2k).

2. Civil Service and Other Compensation Schemes - Exit Package

The Northern Ireland Civil Service initiated a Voluntary Exit Scheme (VES) during 2015-16 to assist Departments in meeting paybill reduction measures. Departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure and the compensation cost for these individuals is included in Staff Costs (Note 2.1). The PPS has been funded by DoF for compensation costs. Ill-health retirement costs are met by the pension scheme and are not included in the table. The total cost of compensations paid to PPS staff under the VES was £2,847k.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	4 (2014-15: Nil)	4 (2014-15: Nil)
£10,000 - £25,000	-	39 (2014-15: Nil)	39 (2014-15: Nil)
£25,000 - £50,000	-	39 (2014-15: 4)	39 (2014-15: 4)
£50,000 - £100,000	-	5 (2014-15: Nil)	5 (2014-15: Nil)
£100,000- £150,000	-	4 (2014-15: Nil)	4 (2014-15: Nil)
£150,000- £200,000	-	-	-
Total number of exit packages	-	91	91
Total Resource cost £'000	-	2,847	2,847

3. Disabled Persons

The PPS is committed to a policy of promoting equality of opportunity, providing an inclusive workplace and eliminating any unfair treatment or unlawful discrimination.

The PPS follows the NICS Equality, Diversity and Inclusion Policy (June 2015) and aims to ensure that disability is not a bar to recruitment or advancement.

PPS publishes an annual Disability Action Plan and monitors in year performance. Some of the key actions for 2015-16 include:

- Training staff in disability awareness and legislation through a newly designed e-learning;
- Support and evaluation of the Registered Intermediaries Pilot.

4. Managing Attendance

The PPS manage sickness absence in line with NICS Sickness Absence Policies.

Sickness Absence in the Northern Ireland Civil Service is measured and reported on annually by the Northern Ireland Statistics and Research Agency. The Minister for Finance and Personnel sets targets for all NICS Departments. The PPS target for sickness absence was 7.5 working days lost per full time equivalent member of staff (2014-15, 7.5 days). PPS actual performance for 2015-16 (based on estimated NICS data) was 10.8 days (2014-15, 8.2 days).

The PPS target for long-term absence was a frequency rate of 7.6% but the actual performance for 2015-16 (based on estimated NICS data) was 11.5%.

PPS sickness absence has increased during 2015-16, in line with increases in all other NICS Departments. This can be attributed to a number of factors including VES and Departmental Restructuring.

Assembly Accountability and Audit Report

Statement of Assembly Supply (audited information)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Public Prosecution Service to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly.

Summary of Resource Outturn 2015-16

Request for Resources	Note	Estimate	Estimate	Estimate	Outturn	Outturn	Outturn	2015-16 £'000	2014-15 £'000
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total Outturn compared with Estimate: saving/(excess)	Outturn Net Total
A	SOAS1	39,641	(711)	38,930	38,537	(464)	38,073	857	33,932
Total Resources	SOAS2	39,641	(711)	38,930	38,537	(464)	38,073	857	33,932
Non-operating cost Accruing Resources		-	-	-	-	-	-	-	-

Net cash requirement 2015-16

	Note	Estimate	Outturn	2015-16 £'000	2014-15 £'000
				Net Total Outturn compared with Estimate: saving/(excess)	Outturn
Net cash requirement	SOAS3	36,958	36,344	614	39,625

The notes on pages 85 to 102 form part of these accounts.

Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	Income	2015-16 Forecast £'000 <i>Receipts</i>	Income	2014-15 Outturn £'000 <i>Receipts</i>
Total	SOAS4	-	-	-	-

Explanation of variances between Estimate and Outturn are given in SOAS 1 'Analysis of net resource outturn by function' and the report of Financial Performance during 2015-16.

SOAS 1 Analysis of net resource outturn by function

						2015-16 £'000 Outturn	2015-16 £'000 Estimate			2014-15 £'000
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Estimate Net Total	Net Total Outturn compared with Estimate	Net Total Outturn compared with Estimate adjusted for virements	Prior- year Outturn
RfR A: Increasing public confidence in the criminal justice system through independent, fair and effective prosecutions:										
	1,859	36,678	-	38,537	(464)	38,073	38,930	857	857	33,932
Departmental Expenditure in (DEL):										
A-1: Public Prosecution & Legal Services										
	1,859	36,517	-	38,376	(464)	37,912	38,706	794	794	33,748
Annually Managed Expenditure (AME):										
A-2: Public Prosecution and Legal Services										
	-	123	-	123	-	123	164	41	41	142
Non-Budget:										
A-3: Notional charges										
	-	38	-	38	-	38	60	22	22	42
Resource Outturn	1,859	36,678	-	38,537	(464)	38,073	38,930	857	857	33,932

The notes on pages 85 to 102 form part of these accounts.

The Public Prosecution Service Net Resource Outturn was £38m against an estimated provision of £38.9m.

The underspend of £0.8m when compared to budget was primarily due to the implications of the voluntary exit scheme on the staff costs of PPS during 2015-16.

Detailed explanations of the variances are given in the Performance Summary.

SOAS 2 Reconciliation of outturn to net operating cost

	Note	Outturn	Supply Estimate	2015-16 £'000 Outturn compared with Estimate: saving/(excess)	2014-15 £'000 Outturn
Net Resource Outturn	SOAS1	38,073	38,930	857	33,932
Prior Period Adjustments		-	-	-	-
Non-supply Expenditure		-	-	-	-
Net Operating Cost in Statement of Comprehensive Net Expenditure		38,073	38,930	857	33,932

The notes on pages 85 to 102 form part of these accounts.

SOAS 3 Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £'000	Outturn £'000	Net Total Outturn compared with estimate: saving/(excess) £'000
Resource Outturn	SOAS2	38,930	38,073	857
Capital				
Acquisition of property, plant and equipment Investments	6,7	1,214	1,171	43
Non-operating Accruing Resources				
Proceeds of asset disposals		-	-	-
Accruals to cash adjustment:				
<i>Adjustments to remove non-cash items:</i>				
Depreciation	4	(1,481)	(1,411)	(702)
New provisions, and adjustments to previous provisions	14	(164)	(123)	(41)
Other non-cash items	3,4	(692)	(631)	571
Changes in working capital other than cash		(1,019)	(899)	(120)
Changes in payables falling due after more than one year		-	-	-
Use of Provision	14	170	164	6
Excess cash receipts surrenderable to the Consolidated Fund	SOAS4	-	-	-
Net Cash Requirement		36,958	36,344	614

SOAS 4 Income payable to the Consolidated Fund

PPS had no income (or receipts) payable to the Consolidated Fund in 2015-16 or 2014-15.

The notes on pages 85 to 102 form part of these accounts.

SOAS 5 Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2015-16 £'000	2014-15 £'000
Operating income	5	464	992
Gross income		464	992
Income authorised to be Accruing Resources		(464)	(992)
Operating income payable to the Consolidated Fund	SOAS4	-	-

Other Assembly Accountability Disclosures (audited information)

i. Losses and special payments

Special Payments

	Number of cases	2015-16 £'000	Number of cases	2014-15 £'000
Details of cases				
Compensation payments	-	-	61	4,882
Ex-gratia payment	-	-	-	-
Total	-	-	61	4,882

ii. Fees and Charges

Where relevant the PPS complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance and adheres to the guidelines on fees and charges contained within Managing Public Money NI.

The notes on pages 85 to 102 form part of these accounts.

PPS charges a range of other NICS Departments for the provision of prosecution services. Charges are based on the estimated average marginal cost of the conduct of any additional cases above the baseline allocated to each Department as approved by the Department of Finance (formerly Department of Finance and Personnel). The income generated in 2015-16 was £53k (2014-15, £88k).

iii. Remote Contingent Liabilities

Note 14 details contingent liabilities disclosed.

The Department has no further remote contingent liabilities required to be disclosed under Assembly Reporting Requirements.

Long-term Expenditure Trends

Expenditure analysis has been provided below for 2015-16, and the two prior years, 2014-15 and 2013-14. The following exceptional items occurred during the 2015-16 year:

- Counsel fees were reduced by £0.8m against 2014-15 as a result of reduced activity in the Crown Court due to the withdrawal of defence service on the introduction of reduced legal aid fees. However the increased scope of council fee accruals in 2015-16 reduced this impact to £0.2m; and
- Compensation packages of £2.8m were paid in relation to 91 staff who left the Department under the NICS Voluntary Exit Scheme. These were disclosed within staff costs.

The majority of PPS expenditure is programme and focused on front line service delivery. Administration costs relate to the salaries and office costs for corporate services support functions.

Annually Managed Expenditure (AME) within PPS usually relates solely to the borrowing costs in respect of the Broadly By Analogy pension liability however in 2013-14 there was also an exceptional provision in respect of a Fair Employment Tribunal ruling against the PPS. The final settlements were made during 2015-16 and disclosed as Special Payments above.

The majority of PPS income is derived from Incentivisation funds generated from the realisation of assets confiscated on successful prosecutions under the Proceeds of Crime Act. Income is distributed to eligible parties under the Asset Recovery Incentive scheme. It is recognised on a receipts basis and difficult to forecast.

Capital expenditure rose considerably during 2015-16, in comparison to prior years, due to a programme of works to the PPS headquarters building, Belfast Chambers. These were necessary in order to facilitate centralising services at this site and permit the closure of other PPS offices. Where a building is vacated by the Public Prosecution Service and no longer in use, the residual valuation of fit out costs and furniture and fittings, has been judged as nil, the value written off as an impairment cost against the revaluation reserve and the balance expensed.

Total departmental spending

	2013-14 Outturn £'000	2014-15 Outturn £'000	2015-16 Outturn £'000
Resource DEL			
A-1: Public Prosecution & Legal Services	35,917	33,748	37,912
Total Resource DEL	35,917	33,748	37,912
Of which:			
- Income	(506)	(992)	(464)
- Staff Costs	21,116	19,858	23,987
- Including VES costs of:	-	-	2,847
- Purchase of goods and services	6,212	6,163	5,598
- Including counsel fees of:	5,282	4,993	4,777
- Rentals	1,982	1,862	1,917
- Other expenditure	5,517	5,486	5,460
Resource AME			
A-2: Public Prosecution & Legal Services	6,424	142	123
Total Resource AME	6,424	142	123
Of which:			
Borrowing costs (unwinding of discount)	124	142	123
Provision for legal liability	6,300	-	-
Total Resource Budget	42,341	33,890	38,035
Of which:			
Depreciation	1,596	1,371	1,411
Loss on disposal	-	40	590
Capital DEL			
Acquisition of property, plant and equipment	459	237	1,171
Including costs for the enhancement of Belfast Chambers of:	-	-	864
Total Capital DEL	459	237	1,171
Capital AME	-	-	-
Total Capital AME	-	-	-
Total Capital Budget	459	237	1,171
Total departmental spending	42,800	34,127	39,206
Of which:			
- Total DEL	36,376	33,985	39,083
- Total AME	6,424	142	123
Administration Costs			
Total administration budget	1,661	1,761	1,859
Of which:			
- Staff costs	1,322	1,422	1,540
- Rentals	140	150	147
- Other administration costs	199	189	172

Declaration

I confirm that this Accountability Report reflects the position of the Public Prosecution Service for the year ended 31 March 2016.



Barra McGrory QC
Accounting Officer

16 June 2016

PUBLIC PROSECUTION SERVICE FOR NORTHERN IRELAND

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 the Public Prosecution Service for Northern Ireland for the year ended 31 March 2016 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Assembly Supply and the related notes and the information in the Remuneration and Staff Report and the Assembly Accountability Report that is described in those reports as having been audited.

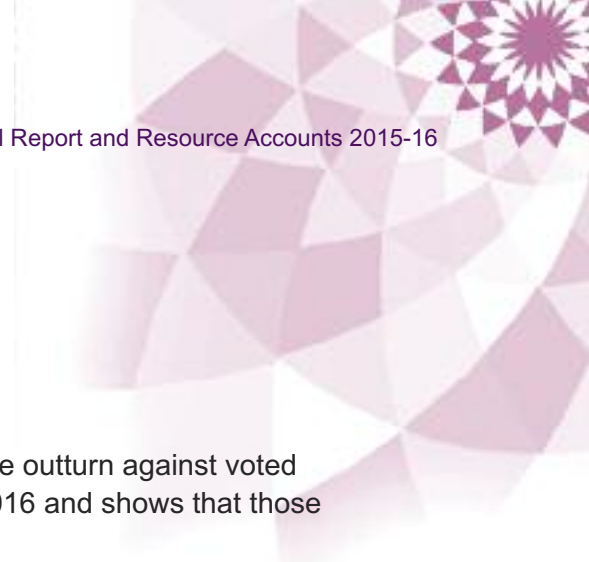
Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the 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 the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; 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 Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also 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 Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2016 and shows that those totals have not been exceeded; and
- 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 the Department's affairs as at 31 March 2016 and of its net operating cost 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 (formerly Department of Finance and Personnel) directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Assembly Accountability Report, including fees and charges, losses and special payments and regularity of expenditure, to be audited are not in agreement with the accounting records; or

- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's (formerly Department of Finance and Personnel) guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "KJ Donnelly". The signature is written in a cursive style with a large, looped 'y' at the end.

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

22 June 2016.

Part 3: Financial Statements



Financial Statements

for the year ended 31 March 2016

Statement of Comprehensive Net Expenditure

for the Year Ended 31 March 2015

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

	Note	2015-16 £'000	2014-15 £'000
Income from the sale of goods and services		-	-
Other operating Income	5	(464)	(992)
Total Operating Income		(464)	(992)
Staff costs	2	23,987	19,858
Purchase of goods & service	3,4	10,296	11,420
Depreciation and impairment charges	3,4	1,414	1,371
Provision expense	3,4	123	142
Other operating expenditure	3,4	2,717	2,133
Total Operating Expenditure		38,537	34,924
Net Operating Expenditure		38,073	33,932
Finance income		-	-
Finance expense		-	-
Net Expenditure for the Year		38,073	33,932

The notes on pages 85 to 102 form part of these accounts.



Other Comprehensive Net Expenditure

	Note	2015-16 £'000	2014-15 £'000
Items that will not be classified to net operating costs:			
Net (gain) / loss on revaluation of property, plant & equipment	6	783	(769)
Net (gain) / loss on revaluation of intangibles	7	191	(233)
Actuarial (gain)/loss on pension scheme	13	(160)	208
Other Comprehensive Net Expenditure		814	(794)
Total Comprehensive Net Expenditure for the year ended 31 March 2016		38,887	33,138

All income and expenditure is derived from continuing operations.

Statement of Financial Position

as at 31 March 2016

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

	Note	2015-16 £'000	2014-15 £'000
Non-current assets			
Property, plant and equipment	6	9,076	9,103
Intangible assets	7	562	394
Total non-current assets		9,638	9,497
Current asset			
Trade and other receivables	11	874	1,142
Cash and cash equivalents	10	41	-
Total current assets		915	1,142
Total assets		10,553	10,639
Current Liabilities			
Trade and other payables	12	(4,441)	(3,500)
Cash and cash equivalents	10	-	(269)
Provisions	13	(164)	(164)
Total current liabilities		(4,605)	(3,933)
Non-current assets plus/less net current assets/liabilities		5,948	6,706
Non-current liabilities			
Provisions	13	(3,175)	(3,376)
Other payables		-	-
Total non-current liabilities		(3,175)	(3,376)
Total assets less liabilities		2,773	3,330
Taxpayers' equity and other reserves:			
General fund		148	1,169
Revaluation reserve		2,625	2,161
Total equity		2,773	3,330



Accounting Officer
16 June 2016

The notes on pages 85 to 102 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2016

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

	Note	2015-16 £'000	2014-15 £'000
Cash flows from operating activities			
Net operating cost		(38,073)	(33,932)
Adjustment for non-cash transactions	4	2,165	164
(Increase)/Decrease in trade and other receivables	11	268	158
Increase/(Decrease) in trade payables	12	941	(644)
<i>Less movements in receivables relating to items not passing through the SCNE</i>		(269)	(103)
<i>Less movements in payables relating to items not passing through the SCNE</i>		(525)	(75)
Use of provisions	13	(164)	(5,031)
Net cash outflow from operating activities		(35,657)	(39,463)
Cash from investing activities			
Purchase of property, plant and equipment	6	(550)	(90)
Purchase of intangible assets	7	(137)	(72)
Proceeds of disposal of property, plant and equipment		-	-
Proceeds of disposal of intangible assets		-	-
Net cash outflow from investing activities		(687)	(162)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		36,385	39,356
From the Consolidated Fund (Supply) - prior year		269	372
From the Consolidated Fund (Non-Supply)		-	-
Net financing		36,654	39,728
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		310	103
Payments of amounts due to the Consolidated Fund		-	-
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		-	-
Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund			
		310	103
Cash and cash equivalents at the beginning of the period	10	(269)	(372)
Cash and cash equivalents at the end of the period	10	41	(269)

The notes on pages 85 to 102 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2016

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

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2014		(4,644)	1,445	(3,199)
Net Assembly Funding		39,625	-	39,625
Comprehensive expenditure for the year		(33,932)	-	(33,932)
Auditors Remuneration	4	42	-	42
Revaluation gains and losses	6,7	(208)	1,002	794
Transfers between reserves		286	(286)	-
Balance at 31 March 2015		1,169	2,161	3,330
Net Assembly funding		36,344	-	36,344
Comprehensive net expenditure for the year		(37,913)	974	(36,939)
Auditors remuneration	4	38	-	38
Transfers between reserves		510	(510)	-
Balance at 31 March 2016		148	2,625	2,773

The notes on pages 85 to 102 form part of these accounts.

Notes to the Financial Statements

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. 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 Public Prosecution Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Public Prosecution Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare one additional primary statement. The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

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 Department'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

Property, plant and equipment comprise building fit out costs, plant and machinery, computer equipment.

Consolidation of asset categories

The property, plant and equipment note requires the amalgamation of asset categories under the Plant and Machinery heading. The asset categories represented by this heading include:

- Furniture and fittings
- Office equipment
- Security equipment

1.3 Valuation of property, plant and equipment

Property, plant and equipment are stated at the lower of replacement cost and recoverable amount. All property, plant and equipment are restated to current value each year by reference to indices compiled by the Office for National Statistics (ONS).

Land and buildings are required to be restated to current value using independent professional valuations, in accordance with IAS 16 Property, Plant and Equipment, every 5 years and in the intervening years by the use of indices provided by Land and Property Services (LPS), specific to the Northern Ireland property sector. The valuations are carried out by members of the Royal Institute of Chartered Surveyors (RICS) in accordance with procedures laid out in the RICS Appraisal and Valuation Manual. Costs classified as Buildings within the Public Prosecution Service relate to fit out costs of leased premises. These are depreciated over the term of the lease and there is no requirement for quinquennial revaluation in respect of these costs.

Expenditure on property, plant and equipment of over £1,000 is capitalised. Within the Department the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Statement of Comprehensive Net Expenditure.

Where a building has been vacated by the Public Prosecution Service and is no longer in use the residual valuation of fit out costs and furniture and fittings has been judged as nil and written off as an impairment cost.

1.4 Depreciation

All property, plant and equipment and intangible assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful lives.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Buildings : Fit out costs	Lease term – generally 15 - 25 years
Plant and Machinery	10 - 15 years
Information Technology	5 – 6 years
Assets under construction	No depreciation
Intangible assets	3 - 5 years

1.5 Realised element of depreciation from revaluation reserve

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

1.6 Intangible assets

Intangible assets comprise development expenditure, software licenses and general information technology lasting more than one year and costing more than £1,000. Software licences are amortised over three to five years. Intangibles are revalued annually using indices provided by the ONS.

1.7 Pension costs

Past and present employees of the Public Prosecution Service are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the PCSPS (NI). Each of these defined benefit schemes is unfunded. The Department 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 PCSPS and the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and the PCSPS (NI). In respect of defined contribution schemes, the Public Prosecution Service recognises the contributions payable for the year.

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension schemes of public appointments in respect of some retired Directors and Deputy Directors of Public Prosecution. A BBA pension arrangement entitles the recipient to benefits similar to the classic schemes in both the PCSPS and PCSPS (NI). The Public Prosecution Service and members were obliged to make contributions in line with the PCSPS and the Department is responsible for paying accrued benefits. Provision has been made for the future cost of benefits under this scheme. The scheme is no longer available to new entrants.

Further details regarding the above schemes are contained in the Staff Report within the Accountability Report and in Notes 2 and 13 of the Accounts.

1.8 Financing and operating income

Financing

The Department is primarily resourced by funds approved by the NI Assembly through the annual Supply process. Resources are drawn down to meet expenditure requirements and are credited to the General Fund.

Operating Income

Operating income is income which relates directly to the operating activities of the Department. It principally comprises receipts from the Asset Recovery Incentive Scheme, recovery of court costs and fees and charges to other departments and public bodies. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with FReM, is treated as operating income. Operating income is stated net of VAT.

1.9 Leases

Finance leases

Leases of property, plant and equipment where the Department holds substantially all the risks and rewards of ownership are classified as finance leases. The Public Prosecution Service has no obligations under finance leases.

Operating leases

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

1.10 Provisions

The Public Prosecution Service provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 3.5 %).

1.11 Contingent liabilities

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

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

1.12 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

1.13 Value Added Tax

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

1.14 Insurance

Departments do not generally insure. No insurance is affected against the following: fire, explosion, common law, third party and similar risks. Notional insurance premiums are not charged to the Statement of Comprehensive Net Expenditure. Instead, expenditure in connection with uninsured risks is charged as incurred.

1.15 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 the Public Prosecution Service to exercise its judgement in the process of applying the Department'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. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

(i) Depreciation of property, plant and equipment

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

(ii) Impairment of property, plant and equipment

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

(iii) Pension and other post-retirement benefits

The Department 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. Further details are contained in Notes 2 and 13.

(iv) Accruals for counsel fees

Programme costs reflect non-administration costs, being the direct cost and associated overheads of front line activities and include the employment of counsel to prosecute cases through the courts on behalf of the PPS.

Counsel fees are paid under the Prosecution Fee Scheme ruling at the point of briefing. The scheme provides a formulaic approach to calculating fees taking into account a range of set cost factors including the number of defendants, type of counsel, volume of evidence, number of witnesses and length of trial. Payment is made on completion of a case on the basis of a detailed record of the work undertaken. There is estimation involved in ascertaining the full value of fees for work in progress on all cases at year-end; actual counsel fees in more complex cases are accrued for on a case by case basis but in all other circumstances the PPS accrues for an estimation of such fees based on the number of active cases and stage of progress as at the 31 March. PPS has extended the scope of the provision for work in progress during the 2015-16 which has increased year end accrual by £617k and the carrying amount of the counsel fees accrual at 31 March 2016 was £1,645k.

1.16 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2016

The Public Prosecution Service has reviewed the standards, interpretations and amendments to published standards that became effective during 2015-16 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the Department.

1.17 Accounting standards, interpretations and amendments to published standards not yet effective

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Department's accounting periods beginning on or after 1 April 2016, but which the Department has not adopted early. The Department considers that these standards are not relevant to its operations.

2. Staff Costs

		2015-16 £'000 Total	2014-15 £'000 Total
Wages and Salaries		18,906	16,782
Social Security Costs		1,260	1,288
Other Pension Costs		3,690	1,648
Sub-Total		23,856	19,718
Plus Inward Secondments		131	140
		23,987	19,858
Of which:			
	Charged to Administration	Charged to Programme	Total
Total Net Costs	1,540	22,447	23,987
Total Net Costs	1,540	22,447	23,987

A breakdown of costs into permanent staff and others and further details of pension contributions can be found in the Staff Report within the Accountability Report.

3. Other Administration Costs

	Note	2015-16 £'000	2014-15 £'000
Rentals under operating leases:			
Hire of plant and machinery		-	-
Other operating leases		147	150
		147	150
Property running costs		61	67
Rates		72	82
Other expenditure		39	40
Total		319	339

4. Programme Costs

	Note	2015-16 £'000	2014-15 £'000
Goods and Services:			
Fees to independent counsel		4,777	4,993
Court related costs		821	1,170
Property running costs		1,407	1,510
Rates		768	755
IT and telephone maintenance and consumables		657	976
Postage, stationery, printing and publications		451	548
Training and professional subscriptions		250	322
Other expenditure		1,165	1,146
		10,296	11,420
Depreciation charges	6,7	1,411	1,371
Provision provided for in year		-	-
Interest cost on BBA Pension Scheme Liability	14	123	142
Net impairment charge	8	3	-
		1,537	1,513
Other Operating Expenses			
Hire of plant and machines		1	8
Other operating leases		1,769	1,704
Profit/Loss on disposal of non-current assets		590	40
Auditor's remuneration and expenses		38	42
		2,398	1,794
Total		14,231	14,727

5. Income

	2015-16 £'000	2014-15 £'000
Programme income:		
Other Income	-	149
Receipts from the Asset Recovery Incentive scheme	364	718
Recovery of court costs	47	37
Fees and charges to other departments	53	88
Total Programme Income	464	992
Total Income	464	992

6. Property, plant and equipment

2015-16	Buildings £'000	Plant & Machinery £'000	Information Technology £'000	Total £'000
Cost or valuation				
1 April 2015	15,045	1,231	2,111	18,387
Additions	822	-	212	1,034
Disposals	(1,227)	(249)	(363)	(1,839)
Permanent diminution	-	-	(4)	(4)
Indexation (<i>Note a</i>)	1,268	10	(5)	1,273
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2016	15,908	992	1,951	18,851
Depreciation				
1 April 2015	(7,135)	(746)	(1,403)	(9,284)
Charged in year	(873)	(104)	(274)	(1,251)
Disposals	762	130	357	1,249
Permanent diminution	-	-	1	1
Indexation depreciation (<i>Note a</i>)	(645)	(7)	5	(647)
Revaluation (<i>Note b</i>)	-	44	113	157
At 31 March 2016	(7,891)	(683)	(1,201)	(9,775)
Carrying amount at 31 March 2016	8,017	309	750	9,076
Carrying amount at 31 March 2015	7,910	485	708	9,103
Asset Financing:				
Owned	8,017	309	750	9,076
Carrying Amount at 31 March 2016	8,017	309	750	9,076

Note a

Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b

Revaluation arose due to the re-life of assets during the financial year.

6. Property, plant and equipment

2014-15	Buildings £'000	Plant & Machinery £'000	Information Technology £'000	Total £'000
Cost or valuation 1 April 2014	13,886	1,234	3,240	18,360
Additions	40	4	121	165
Disposals	-	(15)	(1,287)	(1,302)
Completed AUC	-	-	-	-
Reclassifications	(37)	-	37	-
Indexation (<i>Note a</i>)	1,156	8	-	1,164
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2015	15,045	1,231	2,111	18,387
Depreciation 1 April 2014	(5,790)	(692)	(2,451)	(8,933)
Charged in year	(806)	(123)	(290)	(1,219)
Disposals	-	15	1,247	1,262
Reclassifications	14	-	(14)	-
Indexation depreciation (<i>Note a</i>)	(553)	(5)	1	(557)
Revaluation (<i>Note b</i>)	-	59	104	163
At 31 March 2015	(7,135)	(746)	(1,403)	(9,284)
Carrying amount at 31 March 2015	7,910	485	708	9,103
Carrying amount at 31 March 2014	8,096	542	789	9,427
Asset Financing:				
Owned	7,910	485	708	9,103
Carrying Amount at 31 March 2015	7,910	485	708	9,103

Note a

Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b

Revaluation arose due to the re-life of assets during the financial year.

7. Intangible assets

	Development expenditure £'000	Information technology £'000	Software licences £'000	Total £'000
2015-16				
Cost or valuation				
At 1 April 2015	818	318	107	1,243
Additions	-	98	39	137
Disposals	(18)	(16)	-	(34)
Indexation (<i>Note a</i>)	10	4	1	15
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2016	810	404	147	1,361
Amortisation				
At 1 April 2015	(566)	(257)	(26)	(849)
Charged in year	(98)	(33)	(28)	(159)
Disposals	17	16	-	33
Indexation depreciation (<i>Note a</i>)	(6)	(2)	(1)	(9)
Revaluation (<i>Note b</i>)	141	44	-	185
At 31 March 2016	(512)	(232)	(55)	(799)
Carrying amount at 31 March 2016	298	172	92	562
Carrying amount at 31 March 2015	252	61	81	394
Asset Financing:				
Owned	298	172	92	562
Carrying amount				
At 31 March 2016	298	172	92	562

Note a

Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b

Revaluation arose due to the re-life of assets during the financial year.

7. Intangible assets

	Development expenditure £'000	Information technology £'000	Software licences £'000	Total £'000
2014-15				
Cost or valuation				
At 1 April 2014	819	354	48	1,221
Additions	-	5	67	72
Disposals	(11)	(44)	(9)	(64)
Transfers	-	-	-	-
Impairment	-	-	-	-
Permanent diminution	-	-	-	-
Indexation depreciation (<i>Note a</i>)	10	3	1	14
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2015	818	318	107	1,243
Amortisation				
At 1 April 2014	(617)	(314)	(48)	(979)
Charged in year	(105)	(37)	(10)	(152)
Disposals	11	44	9	64
Transfers	-	-	-	-
Impairment	-	-	-	-
Permanent diminution	-	-	-	-
Indexation depreciation (<i>Note a</i>)	(6)	(2)	-	(8)
Revaluation (<i>Note b</i>)	151	52	23	226
At 31 March 2015	(566)	(257)	(26)	(849)
Carrying amount at 31 March 2015	252	61	81	394
Carrying amount at 31 March 2014	202	40	-	242
Asset Financing:				
Owned	252	61	81	394
Carrying amount at 31 March 2014	252	61	81	394

Note a

Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b

Revaluation arose due to the re-life of assets during the financial year.

8. Capital and other commitments

8.1 Capital Commitments

	2015-16 £'000	2014-15 £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	-	-
Intangible assets	-	-

8.1.1 Operating leases

	2015-16 £'000	2014-15 £'000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
<i>Buildings:</i>		
Not later than one year	1,624	1,834
Later than one year and not later than five years	6,464	7,334
Later than five years	6,028	7,891
	14,116	17,059
<i>Other:</i>		
Not later than one year	42	1
Later than one year and not later than five years	8	-
Later than five years	-	-
	50	1
Total	14,166	17,060

8.1.2 Finance Leases

The Public Prosecution Service has no obligations under finance leases.

9. Financial Instruments

As the cash requirements of the Public Prosecution Service are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Public Prosecution Service's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

10. Cash and cash equivalents

	2015-16 £'000	2014-15 £'000
Balance at 1 April	(269)	(372)
Net change in cash and cash equivalents balance	310	103
Balance at 31 March	41	(269)
The following balances at 31 March are held at:		
Commercial banks and cash in hand	41	(269)
Balance at 31 March	41	(269)

11. Trade receivables, financial and other current assets

	2015-16 £'000	2014-15 £'000
Amounts falling due within one year:		
Trade receivables	39	44
Amounts due from the Consolidated Fund in respect of supply	-	269
Other receivables	291	380
Prepayments and accrued income	544	449
	874	1,142
Amounts falling due after more than one year		-
Total	874	1,142

12. Trade payables and other current liabilities

	2015-16 £'000	2014-15 £'000
Amounts falling due within one year:		
Trade payables	-	-
Other payables	91	-
Accruals and deferred income	3,664	3,339
Property, plant and equipment accruals	645	161
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:		
Received	-	-
Excess Accruing Resources	-	-
Amounts issued from consolidated fund but not spent at year end	41	-
	4,441	3,500
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	-	-
Total	4,441	3,500

13. Provisions for liabilities and charges

	2015-16 £'000	2014-15 £'000
Balance at 1 April 2015	3,540	9,652
Provided in year	-	-
Actuarial loss / (gain)	(160)	208
Provisions not required written back	-	(1,431)
Provisions utilised in year	(164)	(4,694)
Interest cost on BBA Pension Scheme Liability	123	142
Provisions moved to accruals	-	(337)
Balance at 31 March 2016	3,339	3,540

Note

The provision for 2014/15 comprised of a legal provision and a provision for Broadly By Analogy Pension. The legal provision was fully discharged in 2014/15.

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension scheme of public appointments in respect of three retired Directors and Deputy Directors of Public Prosecution or their dependents. The scheme is no longer available to new entrants.

A BBA pension arrangement falls under rules which are Broadly By Analogy with the Principal Civil Service Pension Scheme (PCSPS) and is a collection of three separate defined benefit one-person schemes. All benefits accrued up to 31 March 2016 have been included in the assessment. The scheme liabilities were calculated by the Government Actuary's Department in April 2016 and amount to £3.339m at 31 March 2016 (2014-15, £3.540m). The Actuary has calculated the disclosures at the balance sheet date in respect of the inflation-linked pension payments that are expected to be made over the lifetimes of the schemes members and their partners.

The BBA pension provision is unfunded, with benefits for service provided being paid as they fall due and guaranteed by the Department. There is no fund, therefore this is a net liability.

Maturity Profile

Payment Profile	2015-16 £'000	2014-15 £'000
Payments due within 1 year	164	162
Payments due after 1 year	3,175	3,378
Total present value of scheme liabilities at 31 March	3,339	3,540

Expected length of obligation	2015-16 £'000	2014-15 £'000
Expected length of obligation	25.7	26.7

Present value of scheme liabilities

	2015-16 £'000	2014-15 £'000
Liability in respect of:		
Active members	-	-
Current pensioners	3,339	3,540
Total present value of scheme liabilities at 31 March	3,339	3,540

Liabilities are valued on an actuarial basis using the Projected Unit Method.

Analysis of movement in scheme liability

	2015-16 £'000	2014-15 £'000
Scheme liability at 1 April	3,540	3,352
Movement in the year:		
Current service cost (net of employee contributions)	-	-
Interest cost	123	142
Employee contributions	-	-
Actuarial (gain)/loss	(160)	208
Provisions not required written back	-	-
Benefits paid	(164)	(162)
Scheme liability at 31 March	3,339	3,540

Expense to be recognised in the Statement of Comprehensive Net Expenditure

	2015-16 £'000	2014-15 £'000
Current service cost (net of employee contributions)	-	-
Interest cost	123	142
Provisions not required written back	-	-
Total expense/(income)	123	142

Actuarial (gain)/loss to be recognised in the Statement of Changes in Taxpayers' Equity

	2015-16 £'000	2014-15 £'000
Experience (gain)/loss arising on the scheme liabilities	(58)	(26)
Changes in assumptions underlying the present value of the scheme liabilities	(102)	234
Total actuarial (gain)/loss	(160)	208

History of experience (gains)/losses

	2015-16	2014-15	2013-14	2012-13	2011-12
Experience (gain)/loss arising on the scheme liabilities:					
Amount (£'000)	(58)	(26)	45	(604)	70
Percentage of scheme liabilities at the end of year	(1.7%)	(0.7%)	1.3%	(19.4%)	1.9%

The main assumptions that underpin the valuation are set out below

	2015-16 %	2014-15 %	2013-14 %	2012-13 %	2011-12 %
Inflation assumption	2.20	2.20	2.50	1.07	2.00
Rate of increase in salaries	4.20	4.20	4.50	3.95	4.25
Rate of increase for pensions in payment and deferred pensions	2.20	2.20	2.50	1.70	2.00
Rate used to discount scheme liabilities	3.60	3.55	4.35	4.10	4.85

Assumptions - Life expectancy at retirement

<i>Current Pensioners</i>	2015-16	2014-15
Exact Age		
Female officers currently aged 60	30.7	31.3
Female officers currently aged 65	25.7	26.4
Male officers currently aged 60	28.9	29.1
Male officers currently aged 65	23.9	24.2

Sensitivity Analysis

The sensitivity analysis of the main actuarial assumptions indicates the following:

- Increasing the discount rate by 0.5% would result in a corresponding decrease in liabilities of approximately £217,000 or 6.5%;
- Increasing the CPI inflation assumption by 0.5% would result in a corresponding increase in liabilities of approximately £217,000 or 6.5%;
- Increasing assumed life expectancies in retirement by around 1 year would result in a corresponding increase of approximately £111,000 or 3.5%.

The opposite changes in assumptions to those set out above would produce approximately equal and opposite changes in the liability. Similarly, doubling the changes in the assumptions would produce approximately double the changes in the liability.

The sensitivities show the change in each assumption in isolation. In practice the financial assumptions rarely change in isolation and given the interdependencies between them, the impacts of such changes may offset each other to some extent.

Estimate of contributions expected to be paid into the scheme over the year 1 April 2016 to 31 March 2017

The Public Prosecution Service will not have any future entrants to the Broadly By Analogy pension scheme and on this basis during the financial year 2016-17 it is estimated that total contributions to the scheme will be nil.

14. Contingent liabilities

The Department has a quantifiable contingent liability in respect of the final account for the PPS Headquarters building. The calculation of the liability is disputed by the Developer and is likely to proceed to arbitration during 2016-17. The Developer is seeking an additional £170k which the PPS does not believe is payable on the basis of legal advice.

The Department also has a contingent liability in respect of software licence usage. A supplier has claimed a liability exists due to a technical change in the server structure employed by the PPS. PPS does not accept such a liability is outstanding at 31 March 2016. It is considered inappropriate to disclose the value claimed as this may prejudice the outcome of the dispute.

The Department also has unquantifiable 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 Department's control. These are in respect of employment and personnel cases outstanding against the Public Prosecution Service. Settlement dates and values are unknown.

15. Related-party transactions

The Public Prosecution Service has had a number of material transactions with other government bodies. Most of these transactions have been with the Department of Finance and Personnel.

During the year no board member, key manager or other party has undertaken any material transactions with PPS.

16. Events after the reporting date

There are no other events occurring after the reporting date that require disclosure.

Date authorised for issue

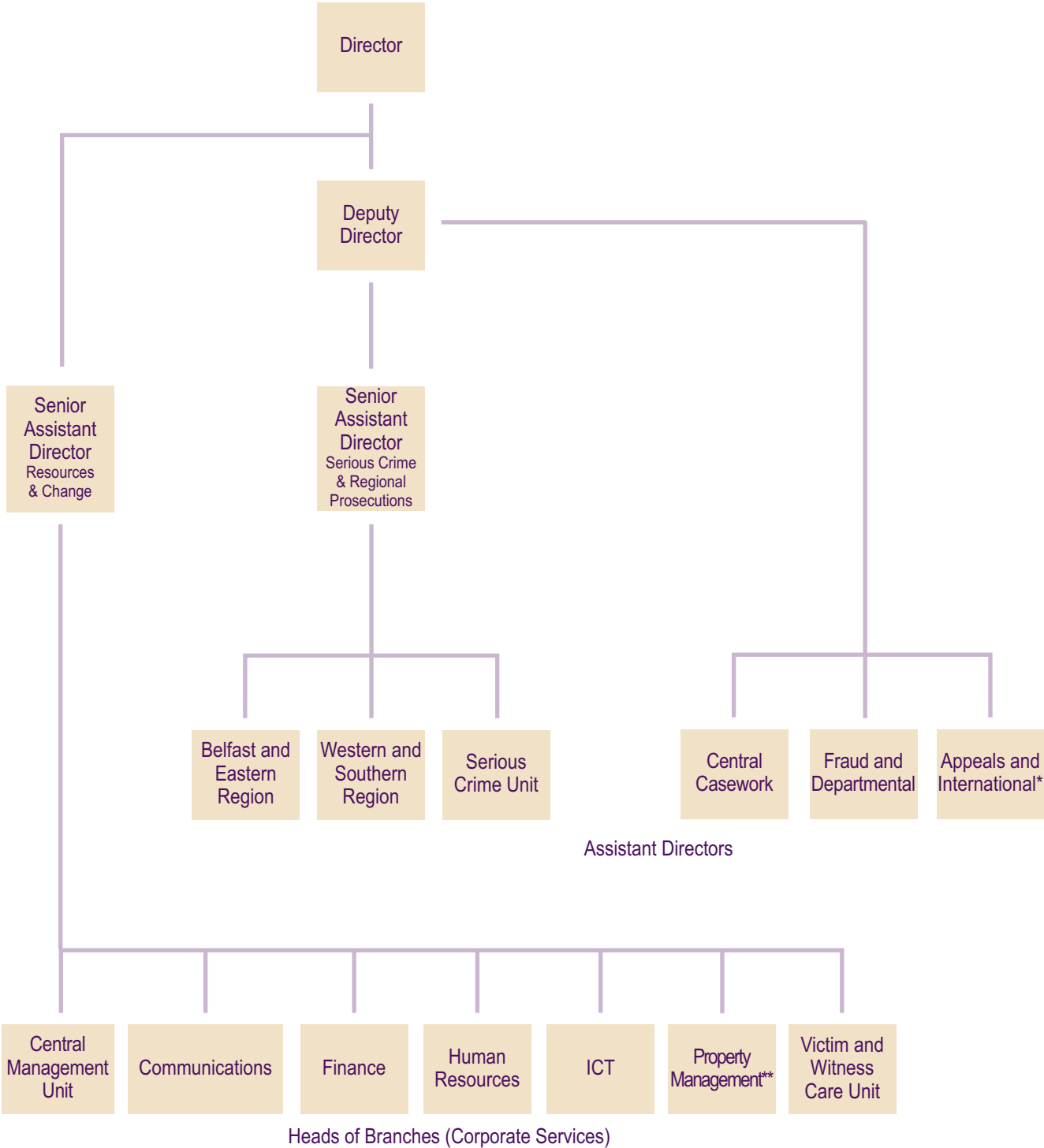
The Accounting Officer authorised these financial statements for issue on 23 June 2016.

Part 4: Annexes



Annex A:

PPS Organisation Chart



* Includes Legal Guidance and Advice Section. ** Includes Business Assurance.

Annex B:

Performance against Key Delivery Targets 2015-16

Note: Figures in parenthesis indicate 2014-15 performance where applicable.

Strategic Priority	Key Performance Indicators	Target / Outcome
1	<p>Quality Assurance Percentage of decisions as to prosecution taken in accordance with the Code for Prosecutors</p>	<p>Target: Establish baseline Outturn: 96.9%</p>
	<p>No Bills / Acquittals by Direction Number of 'No Bills' (All charges) granted in the Crown Court</p>	<p>Target: Not to exceed 36 Outturn: 20 (26)</p>
	<p>Number of Acquittals by Direction (All charges) in the Crown Court</p>	<p>Target: Not to exceed 39 Outturn: 36 (20)</p>
	<p>Review of Charges Percentage of 28 day charge cases where charge sheets are reviewed within 3 working days of first appearance at court</p>	<p>Target: 90% Outturn: 86% (89%)</p>

Performance against Key Delivery Targets 2015-16 (continued)

Strategic Priority	Key Performance Indicators	Target / Outcome
1	<i>Prosecutorial Decisions - Timeliness</i> Percentage of:	
	Indictable prosecution decisions issued within	
	(i) 100 days	Target: 50% Outturn: 56.9% (62.3%)
	(ii) 180 days	Target: 80% Outturn: 79.5% (82.8%)
	Summary prosecution decisions issued within	
	(i) 15 days	Target: 65% Outturn: 73.0% (73.9%)
	(ii) 40 days	Target: 80% Outturn: 85.0% (87.2%)
	Diversory decisions issued within	
	(i) 15 days	Target: 65% Outturn: 78.7% (76.8%)
	(ii) 30 days	Target: 80% Outturn: 86.3% (86.9%)
	No prosecution (indictable) decisions issued within	
	(i) 50 days	Target: 65% Outturn: 70.3% (74.4%)
	(ii) 150 days	Target: 80% Outturn: 93.4% (90.8%)
	No prosecution (summary / hybrid) decisions issued within	
(i) 15 days	Target: 65% Outturn: 67.2% (71.6%)	
(ii) 30 days	Target: 80% Outturn: 87.2% (90.4%)	

Performance against Key Delivery Targets 2015-16 (continued)

Strategic Priority	Key Performance Indicators	Target / Outcome
2	<p>Public Confidence (NI Omnibus Survey 2015) Percentage confidence in:</p> <p>PPS provision of a fair and impartial prosecution service</p>	<p><i>Target: Improvement on 2014</i> <i>Outturn: 74% (71%)</i></p>
	<p>PPS effectiveness in prosecuting people accused of committing a crime</p>	<p><i>Target: Improvement on 2014</i> <i>Outturn: 67% (68%)</i></p>
3	<p>Better Payments Percentage of invoices paid within 10 working days</p>	<p><i>Target: 95%</i> <i>Outturn: 93% (92%)</i></p>
	<p>Percentage of Purchase Orders compliant with Account NI procurement guidance</p>	<p><i>Target: 80%</i> <i>Outturn: 72.4% (n/a)</i></p>
	<p>Freedom of Information Percentage of requests answered within agreed time limits</p>	<p><i>Target: 100%</i> <i>Outturn: 98.5% (100%)</i></p>
	<p>Complaints Percentage of complaints acknowledged within 5 working days</p>	<p><i>Target: 95%</i> <i>Outturn: 90% (82%)</i></p>
	<p>Percentage of initial complaints dealt with within 20 working days</p>	<p><i>Target: 95%</i> <i>Outturn: 81% (46%)</i></p>
4	<p>Sickness and Absenteeism Average working days lost due to sickness and absenteeism (per whole time equivalent) staff member*</p>	<p><i>Target: 7.5 days</i> <i>Outturn: 11.1 (8.2)</i></p>
	<p>Long-term absence – frequency rate (%)*</p>	<p><i>Target: 7.6%</i> <i>Outturn: 11.5% (8.1%)</i></p>

* Estimated data for 2015-16.

Annex C:

Personal Data Related Incidents 2015-16

Incidents where PPS data was compromised during 2015-16 are detailed below:

- (i) A member of the public wrote to PPS in April 2015 enclosing a summons intended for a defendant. It was clear from PPS records that the defendant had previously lived at the address. However a new address had been provided which had not been updated on the PSNI case management system. The address was subsequently corrected by police in May 2015.
- (ii) A general mail delivery was received in the PPS Lisburn office in April 2015. Security staff noticed that all the mail had been opened. Following enquiries a member of Royal Mail staff indicated that they were aware of the issue and explained that the mail had been delivered to the wrong premises and opened by an automated opening machine. Once the mistake was discovered the mail was returned to the sorting office. Royal Mail was not prepared to disclose the business to which the mail was incorrectly delivered. PPS reported the matter through the Royal Mail complaints system and later received an apology for the incident.
- (iii) A solicitor wrote to PPS in April 2015 highlighting that a summons for another person had been attached to a letter sent to their client. The solicitor returned the summons with the letter and new documentation was issued to their client. An investigation showed that this had been due to human error.
- (iv) A firm of solicitors wrote to PPS in May 2015 highlighting that a criminal record for another person had been included with a summons for their client. The firm returned the criminal record. The investigation showed that this had been a case of human error on the part of the same staff member involved in incident (iii) above. After discussions with their line manager, the staff member was given a warning and provided with refresher training.
- (v) In June 2015 a fax machine in the PPS Lisburn office was taken away for repair. It still had a number of unprinted faxes which were in the machine's memory and which could not be deleted due to the malfunction. The fax was subsequently repaired and the faxes printed out. Approximately 30 pages were contained in the memory, all of which were incoming documents from solicitors. The printed faxes could have been read by the repairers. This is an inherent risk in using fax machines, and in this instance the only safeguard would have been to discard the fax machine rather than repair it.

- (vi) The PPS issued a summons to a defendant in January 2015. The defendant's solicitor then wrote to the PPS in July 2015 claiming that on or around 23 January the defendant was handed a bundle of documents by an unknown teenage boy who had found them in a local playing field. The correspondence was also addressed to the defendant's niece, who was in fact the victim in this case. Examination of the papers by PPS staff suggested that the cover letter was a forgery as it was not in the correct format. The metadata at the bottom of the letter, which is printed automatically, also did not match the format used by PPS. The PPS investigator concluded that the incident was a hoax and wrote to the solicitor in September. No further correspondence has been received to date.
- (vii) A summons issued to the parent/guardian of a youth defendant was received by a staff member at a children's hostel in August 2015. The staff member wrote to PPS stating that she was not the parent/guardian of the defendant; while the individual had been resident at the hostel at the time of the incident, they had subsequently left. Business Assurance asked the prosecutor to inform the PSNI that the parent/guardian was incorrect.
- (viii) A victim wrote to PPS in August 2015, noting that he had never received the V20 form (notification of decision to prosecute). This was one of a number of complaints about the conduct of the case. The V20 form had in fact been sent out in February 2015, but it appears that at that time the victim's correct address had not been shared by PSNI. The correct address was provided in May 2015 and the victim received all correspondence in relation to the case from that point.
- (ix) A summons issued to the parent/guardian of a youth defendant was received by a member of the public in August 2015. The error was caused by PSNI linking the wrong person to the case as parent/guardian as they had similar reference numbers on their system as a witness in previous cases. The PSNI corrected the error in October 2015 and reported the incident to the defendant and his guardian. PPS wrote to the member of the public in November explaining the error and noting that it had been corrected.
- (x) A summons was issued to a defendant in August 2015. PPS subsequently received a phone call from a member of the public who had received the summons in error, noting that they had moved into the address a few months previously. PPS received the summons papers back, which were then sent to the last known address for the defendant.
- (xi) In November 2015 a witness in a case telephoned the VWCU stating that she had received a witness expenses form for another witness in the same case. The Case Officer contacted both witnesses to apologise and sent out the correct documents.
- (xii) In December 2015 a defendant made a complaint against a staff member, alleging that information in respect of his criminal record had been passed to a third party. Following a detailed investigation by the AD and the IT Security Officer, there was no conclusive evidence that a data breach had taken place. The AD wrote to the defendant to inform him of the outcome.

- (xiii) In February 2016 a suspect complained that a victim notification letter was sent out to another individual involved in the case. This occurred due to a known issue with the PPS CMS, which is being addressed. After an examination it was apparent that the victim notification should not have been sent out. The complainant subsequently informed the PPS that the third party had received additional victim correspondence. This claim is under investigation.
- (xiv) A victim wrote to the PPS in February 2016 stating that they had received a copy of a letter intended for a victim in a different case. This was due to human error, and the member of staff has been reminded to check all mail before sending.
- (xv) The address for a police officer charged with an offence was given as his PSNI station. The station details were incorrect, and the charges were attributed to another officer of the same name at that station. This led to unwarranted negative publicity for the officer in question who reported the incident in March 2016. The mistake appears to have been caused by human error during the registration process. The matter is under investigation.
- (xvi) At a court hearing in March 2016 the defence advised that they had not received a copy of CCTV evidence. A PPS investigation revealed that the evidence had been provided and signed for by the defence representative, in accordance with the agreed protocol. While there was no data loss to the PPS, the defence barrister was advised to report the matter to the ICO.
- (xvii) In March 2016 a suspect emailed the PPS to complain that their date of birth had been disclosed to the alleged victim in the case. Following investigation, it has not been possible to state conclusively whether or not this information was provided by the PPS, and the complainant has been updated accordingly.
- (xviii) A staff member inadvertently sent an email to a member of PPS Panel Counsel regarding a query from a victim. The email had been intended for another staff member. Panel Counsel immediately deleted the message and informed PPS of the error. No further action was deemed necessary.

Contact Details

For further information about the PPS,
please contact:

Central Management Unit
PPS
Belfast Chambers
93 Chichester Street
Belfast BT1 3JR

Tel: 02890 897100
Deaf/Hard of hearing (SMS): 07795 675528
Fax: 02890 897030
Email: info@ppsni.gsi.gov.uk
Website: www.ppsni.gov.uk

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