

**Northern Ireland Police Fund**  
**Annual Report and Accounts**  
**For the year ended 31 March 2017**

*Laid before the Northern Ireland Assembly under  
Section 9(d) of The Northern Ireland Police Fund Regulations 2016*

*on*

*11 May 2018*

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## **PERFORMANCE REPORT**

### **OVERVIEW**

The purpose of the Overview is to provide sufficient information to ensure that the remit and purpose of the Northern Ireland Police Fund (NIPF, 'the Fund') is understood. The Overview includes:

- a statement from the Chief Executive providing his perspective on the performance of NIPF over the period;
- a statement of the purpose and activities of the Fund;
- the key issues and risks that could affect NIPF in delivering its objectives; and
- a performance summary.

### **FOREWORD BY CHIEF EXECUTIVE**

I am pleased to present the Annual Report for the Northern Ireland Police Fund for 2016-17.

The last twelve months have seen changes within the Fund with the status changing from that of a Company Limited by Guarantee to a statutory body. This was accompanied by changes in the membership of the Management Board ('the Board') with the appointment of a new Chair, Dr Michael Wardlow, and two new Independent Board Members in Ms Kelly Robinson and Daniel Anderson. Four members of the previous Board were re-appointed by the then Minister for Justice Claire Sugden MLA. These were Ms Deirdre Kenny, Brian McCargo, Chief Superintendent George Clarke and Mark Lindsay.

This process was achieved without any impairment of the work of the Fund and it has continued to support our clients to the best of its ability. This is against a continuing background of pressure on budgets and the need to upgrade the Fund's IT systems. Although considerable work has been undertaken to provide the infrastructure for this in this year, full completion will not be achieved until next year. This will provide a more efficient system which will improve the Fund's ability to support clients whilst not losing the security and confidentiality of information which is essential to the Fund.

During the year the Fund's premises suffered extensive flooding as a result of a burst pipe and this caused considerable inconvenience to the working environment. I am grateful for the support of our landlords in resolving this situation.

I am particularly grateful for the support of my staff throughout the year. Their professionalism, dedication and hard work has been exemplary and I wish to thank them for their support for me in my first year as Chief Executive and they have done so much to help the Fund deal with the challenges of this year. I also want to record my thanks to Michael Wardlow and the Management Board for all their support and encouragement throughout the year.

## STATEMENT OF PURPOSE AND ACTIVITIES

### History

The Northern Ireland Police Fund (NIPF) was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. NIPF was to be able to supplement the income of those on very low pensions, help finance the procurement of better prostheses or household equipment for the disabled and make bursaries for disabled officers and their children who wish to study.

Until 31 March 2016 NIPF operated as a Company Limited by Guarantee and was governed by company law. From 1 April 2016 the status of NIPF transferred to that of an Executive Non-Departmental Public Body (NDPB).

### Principal activity

The Fund's principal activity during the year was the provision of financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland, the Police Service of Northern Ireland Reserve who have been killed or injured by terrorism, and their families and dependants.

The Fund's mission is to improve the quality of life of its clients by providing financial and other support. It achieves this by providing a comprehensive, quality service to its clients. It is proactive in seeking to meet their needs, and provides a range of schemes designed to meet those needs now and in the future. NIPF, being mindful of the problems and traumas faced by its clients, delivers a caring and considerate service, and seeks at all times to minimise any unwarranted intrusion into the lives of its clients consistent with meeting the requirements of its schemes.

### Principal risks and uncertainties

The Fund's policy for managing risk is set out in section 4 of the Governance Statement. The principal risks faced by NIPF are changing government priorities affecting funding, increased pressures to meet the growing requirements of departmental oversight and the complexities of corporate governance from within very limited resources and the possibility of fraud in grant applications.

### Going concern

In accordance with the Government Financial Reporting Manual, the financial statements of NIPF in respect of the financial year to 31 March 2017 are prepared on a going concern basis. The going concern basis is set out in Note 1.2 to the Accounts.

## **PERFORMANCE SUMMARY AND FORWARD LOOK**

### **Performance summary**

In 2016-17 there were some changes to the schemes operated by the Fund. The Bereavement Support Scheme and the Disability Support Scheme were subsumed into a new scheme, the General Support Scheme. In addition a new scheme, the Individual Support Scheme, was established. Expenditure under the Disability Adaptations Scheme was also considerably higher than in previous years reflecting a greater uptake under this scheme.

During the year, NIPF made 477 (2015-16: 347) grants to individual clients covering disability and bereavement support, disability adaptations, educational bursaries, chronic pain management, regular payments to those on very low incomes, respite breaks for carers. It made a further 498 (2015-16: 501) recognition payments to eligible clients of NIPF. It also supported six police support voluntary bodies where their activities were of benefit to the clients of NIPF.

### **Forward look**

NIPF continues to look at how best it might meet its clients' needs in the future and especially how it needs to develop and adopt new schemes to meet the dual challenges of ageing and disability.

**PERFORMANCE ANALYSIS****Financial Review**

The NIPF financial statements for 2016-17 are compared to the previous two financial years in the table below:

**Statement of Comprehensive Net Expenditure**

	2016-17 £	2015-16 £	2014-15 £
<b>Total operating income</b>	-	-	<b>(4,681)</b>
Staff costs	229,606	224,494	227,725
Purchase of goods and services	119,196	117,181	119,057
Depreciation and impairment charges	3,588	1,918	2,148
Grants	1,113,702	1,108,456	1,267,375
<b>Total operating expenditure</b>	<b>1,466,092</b>	<b>1,452,049</b>	<b>1,616,305</b>
<b>Net operating expenditure</b>	<b>1,466,092</b>	<b>1,452,049</b>	<b>1,611,624</b>
Finance expense	1,207	1,566	1,076
<b>Net expenditure for the year</b>	<b>1,467,299</b>	<b>1,453,615</b>	<b>1,612,700</b>

***Financial position***

The total net assets of NIPF at 31 March 2017 were £40,971 (2015-16: £22,695).

***Cash flow***

As detailed in the notes to the Accounts, the Fund's Net Assembly draw down in 2016-17 was £1,485,000 (2015-16: £1,481,000) and the net decrease in cash and cash equivalents in the year was £4,801 (2015-16: increase of £46,924).

***Financial risk***

For 2016-17, NIPF relied primarily on the Department of Justice for funding and the risk to this funding is low.

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



## Auditors

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

The audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these financial statements, was £10,000 (2015-16: £10,000). The C&AG may also undertake other statutory activities that are not related to the audit of the body's financial statements such as Value for Money reports. No such activity took place during the year.

## Payment to Suppliers

The Fund's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

During the financial year, NIPF achieved an average of 89.1% (2015-16: 82.0%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. NIPF achieved an average of 96.0% (2015-16: 100.0%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

## Environmental and Sustainability Initiatives

Throughout the year NIPF participated in a recycling scheme for toner cartridges and, where possible, uses paper products that have a low environmental impact. The Fund's recycling also includes printed and office paper, tin and metal products, envelopes, cardboard and plastics.

## Health and Safety

NIPF is committed to providing staff with an environment that is, as far as possible, safe and free from risk to health. In line with this commitment, NIPF complied with the relevant legislation.

There were no notifiable accidents during 2016-17.

## PERFORMANCE REPORT



**R G Pedlow**  
**Chief Executive and Accounting Officer**  
**Date: 28 March 2018**

## **ACCOUNTABILITY REPORT**

### **CORPORATE GOVERNANCE REPORT**

#### **DIRECTORS' REPORT**

##### **The Board**

The NIPF Management Board was formally constituted on 1 April 2016 and oversees the work of the organisation. Its role is to lead the Fund's strategic planning and assist the Chief Executive, who is also the Accounting Officer, in meeting corporate governance responsibilities for the Fund.

The Board consists of:

<b>Position</b>	<b>Member</b>
Chief Executive	Ronnie Pedlow
Independent Board Member	Dr Michael Wardlow (Chairman)
Independent Board Member	Mark Lindsay
Independent Board Member	Chief Superintendent George Clarke
Independent Board Member	Deirdre Kenny
Independent Board Member	Brian McCargo
Independent Board Member	Kelly Robinson
Independent Board Member	Daniel Anderson

##### **Board Members' Interests**

Details of company directorships and other significant interests held by Board Members are set out within the related party disclosures at Note 13 in the Accounts. NIPF maintains a Register of Interests for senior management and Board Members which is updated on a quarterly basis. In addition, any conflicts of interest are declared by the Board Members at each meeting. Access to the Register of Interests may be gained by contacting the Office Manager at NIPF.

##### **Information Assurance**

There were no incidences of loss of information assets or personal data during 2016-17 or 2015-16 which required to be reported to the Information Commissioner's Office.

##### **Complaints**

There were no complaints in 2016-17. One case was reported to the Fund by a Whistleblower and in line with policy was passed to the Department of Justice to deal with.

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 9 of The Northern Ireland Police Fund Regulations 2016, the Department of Justice (DOJ) has directed the Northern Ireland Police Fund to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Police Fund and of its income and expenditure, changes in taxpayer's 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 DOJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer for the DOJ has designated the Chief Executive of the Northern Ireland Police Fund as Accounting Officer for the year of account.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Police Fund's assets, are set out in the Accounting Officer's Memorandum, issued by the Department of Finance (DoF) and published in Managing Public Money Northern Ireland.

The Accounting Officer is required to confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

## GOVERNANCE STATEMENT

### 1. Scope of Responsibility

The Northern Ireland Police Fund (NIPF) was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. Its principal activity throughout the year was the provision of financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland and the Police Service of Northern Ireland Reserve who have been injured or disabled as a direct result of terrorism. It also provides support to the widows, families and dependants of police officers who have been injured or killed as a direct result of terrorist attack.

It has as its mission statement:

***Alleviating suffering resulting from terrorist attacks on police officers by providing continuing support for them and their families.***

The core business of NIPF centres on client services. The needs of clients are at the heart of the Fund's schemes and services. Client needs change and develop over time and therefore the Fund's schemes are regularly reviewed and evolve to meet need and demand.

The Fund's services extend past grant making however, and include referrals to, and collaborative work with, other agencies within the police family to provide a package of care which best meets clients' needs. The Fund's assessment team also aims to visit, personally, all clients at least once every 18 months which provides the opportunity to assess changing client need, react appropriately, and inform clients about opportunities available to them, through NIPF.

In implementing all schemes, NIPF strives to ensure a high quality client based service balanced by efficient use of its budget, which meets governance and accounting requirements.

NIPF is classified as an Executive Non-Departmental Public Body (NDPB). The legal status of NIPF changed on 1 April 2016 from that of a Company Limited by Guarantee to a body corporate NDPB.

## 2. Purpose of the Governance Framework

The governance framework provides a system to monitor and record the stewardship of the organisation to supplement the accounts and to provide a sense of how successfully NIPF has coped with the challenges it faces.

The framework comprises the systems and processes by which NIPF is directed and controlled. It enables NIPF to support and monitor the achievement of its objectives and targets while ensuring that public funds are effectively directed towards meeting the business need.

The internal control system underpins the governance framework and is designed to ensure that risks are managed appropriately in line with the Fund's risk appetite. It cannot eliminate all risks but rather is designed to provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Fund's policies, objectives and targets, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## 3. Governance Framework

The Chief Executive and Independent Board Members are committed to operating the Fund in a responsible manner and the governance framework forms an integral part of this approach in order to safeguard public funds. A robust governance framework, as described below, supports the Chief Executive and Board Members in discharging their corporate governance responsibilities.

The Corporate Governance Framework has been in place in NIPF for the year ended 31 March 2017 and up to the date of the annual report and accounts and is in accordance with DoF Guidance. NIPF complied with the 2014 Corporate Governance Code.

NIPF is subject to the disclosure requirements under the Freedom of Information Act 2000. There have been no Ministerial directions during the course of the year.

### ***Corporate Accountability***

NIPF is a Statutory Body of the Department of Justice (DOJ). The Chief Executive is a seconded Grade 7 civil servant and the Accounting Officer for NIPF. He is responsible for the operational management of NIPF and the delivery of Board policy. He reports directly to the Chairman.

The Accounting Officer's responsibilities are delegated from the Permanent Secretary of the DOJ, to the Chief Executive, who as the Fund's Accounting Officer is accountable for the effective, efficient and economic use of resources provided to NIPF, for the propriety and regularity of its expenditure, the safety and security of staff and for ensuring that the requirements of Managing Public Money Northern Ireland are met.

The Chief Executive and the Board Members pay careful attention to the Management Statement and Financial Memorandum agreed with the Departmental Sponsor.

### ***Independent Board Members***

The Chief Executive is supported by a Management Board (the Board) consisting a Chairman and Independent Board Members who have been appointed by the Minister of Justice, and who govern the conduct of NIPF through formal reporting and decision making. Board Members comprise a mixture of individuals providing a balance of skills and abilities ranging from strong ties with the policing family, through to experience of the specialisms required to fulfil the Board's functions, which range from decisions affecting client grants to governance and oversight of performance.

The Board meets monthly and at the corporate and strategic level Board Members regularly review progress and performance against the objectives and targets set in the Fund's Business Plan. This includes the ongoing monitoring of corporate risks and the oversight of the performance and risks at the operational level.

Attendance by Members at Board meetings during 2016-17 was as follows:

<b>Member</b>	<b>Possible Attendance</b>	<b>Actual Attendance</b>	<b>% Attendance</b>
Dr Michael Wardlow	11	11	100%
Mark Lindsay	11	5	45%
Chief Superintendent George Clarke	11	7	64%
Deirdre Kenny	11	8	73%
Brian McCargo	11	7	64%
Kelly Robinson	11	9	82%
Daniel Anderson	11	7	64%

### ***Supporting Committees***

The Accounting Officer and Board Members are supported in their roles by the Audit and Risk Committee which usually meets at least four times a year and monitors the corporate governance and control systems within NIPF. It considers progress against assurance plans, adequacy of the risk management framework and risk register and any proposed risk mitigation, adherence to procurement policies and guidelines, internal and external audit strategies and management response to audit recommendations. The Audit Committee is chaired by a member of the Board and has a member independent of the Board. It has full access to all audit reports, risk registers and management reports. The Committee is attended by representatives from internal and external audit and the Departmental Sponsor.

Attendance at Audit and Risk Committee meetings during 2016-17 was as follows:

<b>Member</b>	<b>Possible Attendance</b>	<b>Actual Attendance</b>	<b>% Attendance</b>
Deirdre Kenny	4	3	75%
Brian McCargo	4	4	100%
Kelly Robinson	4	4	100%
Daniel Anderson	4	0	0%
Terry McGonigal	4	4	100%

The Board may also convene an ad hoc Finance and General Purposes Committee to carry out specific items of work as required by it. This Committee was convened four times during the year.

Depending on the level of funding applications, grants to clients are awarded through delegated authority to the Chief Executive and/or through case conferences which comprise a quorum of four Board Members. Client appeals are heard at Board Meetings. Case conferences are convened on a needs basis as determined by the level and value of claims at any given time. There were seven case conferences during the year.

### ***Annual Report and Accounts***

Each year NIPF prepares an annual report and accounts in accordance with the Financial Reporting Manual (FRoM) and DoF guidance, prior to being laid in the Assembly.

Ongoing governance oversight of NIPF is achieved through quarterly governance meetings with the Departmental Sponsor and through regular Departmental governance and financial reports and returns.

### ***Policies and Procedures***

NIPF has internal controls in place which are supported by policies and procedures which are adhered to throughout the Fund.

NIPF also has a system of signed authorisation forms and tiered approval processes which are an effective internal control system and delegates a level of individual accountability throughout NIPF.

## **4. Risk Management and Internal Control**

The Fund's internal control and risk management processes act as enablers for the delivery of effective governance and to demonstrate that adequate internal controls are in place and operating effectively.

To assist in the risk management process, NIPF has developed a risk management policy which sets out the Fund's methodology for identifying, assessing and managing risk in line with the risk appetite, outlines the key aspects of the risk management process and identifies the reporting procedures. A risk register is maintained and reviewed on a quarterly basis by the Board and the register, along with a summary of changes made in the intervening period is submitted to each Audit and Risk Committee meeting and governance meeting with the Departmental Sponsor.

NIPF adheres to specific financial arrangements, delegated from the Department to the Accounting Officer in relation to the principles within Managing Public Money Northern Ireland (MPMNI) for the expenditure, regularity, propriety and value for money which applies to all public expenditure.

NIPF implements and adheres to relevant DOJ and DoF policies where they are appropriate to NIPF including financial, procurement and accounting policies and procedures, information security policy, policies on fraud and anti-bribery, and whistleblowing, a requirement to declare conflicts of interest and a gifts and hospitality policy.

## 5. Review of Effectiveness of the Governance Framework

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework and the system of internal control. This has been informed through a number of elements within NIPF.

The Fund's Board has a vital role in ensuring that NIPF has an effective system of internal control. It met on 11 separate occasions during the year to discuss and make decisions relating to, but not limited to: strategy, governance, performance, financial planning and monitoring, budget proposals, risk, security, policies and procedures. The Board again acknowledges the significant improvement in the quality of data presented in management information reports during the year, particularly financial data, which has enabled the board to have a fuller corporate overview of performance within NIPF. This includes but is not limited to: cumulative data on client based activities, spend, prompt payments statistics and security and fraud matters. Board attendance has in the main been good with seven Members attending nine or more meetings.

The Audit and Risk Committee also keeps governance issues under review. It met four times during the year to consider significant aspects within the governance framework including, but not limited to: reports from internal and external audit on systems and procedural reviews, the annual report to those charged with governance and the management response, quarterly risk register reviews from the Board and procurement issues.

In accordance with the National Audit Office 'Good Practice Self-Assessment Checklist' for public sector Audit Committees, the Audit and Risk Committee, along with the Board, undertook Corporate Governance training in November 2016 which included specific training on the role of an audit and risk committee. The outcome gave assurance that best practices were being followed in key areas.

NIPF meets quarterly with the Departmental Sponsor to discuss governance issues and agree actions for improvement.

In addition to this, NIPF also makes a significant number of formal monthly, six monthly and annual returns to the Department. These include but are not limited to:

- Stewardship Statements;
- Corporate Governance Statements;
- Security Risk Management Overview;
- Information Assurance Maturity Action Plan;
- Financial forecasts and Resource Budget Monitoring returns;
- Monitoring Rounds; and
- Compliance reports on the use of consultants.



## 6. Significant Internal Control Issues

No significant internal control issues were identified during the year.

## 7. Accounting Officer Statement on Assurance

I have been advised on the implications of the result of my review and of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and through the internal auditor's annual opinion on assurance.

In respect of 2016-17, I have been informed by internal audit on the adequacy and effectiveness of internal controls operating within NIPF. Internal Audit has produced a report on the Fund's provision of financial assistance to organisations. The Fund's procedures and management in this area has been given a satisfactory assurance. In addition, management has agreed and implemented recommendations made therein.

The Public Sector Internal Auditing Standards requires that I report any significant control issues brought to my attention by the Internal Auditors. At this juncture, for 2016-17, Internal Audit has produced a report on the Fund's finance administration and personnel systems. The Fund's procedures and management in this area has been given a satisfactory assurance. In addition, management has agreed and are in the process of implementing recommendations made within the report.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee. In addition, progress on priority 1 internal and external recommendations continues to be reported to and monitored by the Departmental Audit and Risk Assurance Committee.

Since November 2013 the Charity Commission NI has been conducting an investigation into the operation of one of the organisations which had received grants from the Fund. The Commission published an interim report on this case in March 2016 but a final report has not been published to date. As a result of this case the Fund has reviewed the effectiveness of its controls and has strengthened internal controls on the process of awarding grants to organisations.

Taking these matters into account, I am content that the internal control framework in operation within NIPF provides reasonable assurance that objectives can be met.

## **REMUNERATION AND STAFF REPORT**

### **Remuneration policy**

The salaries of seconded civil servants in the Northern Ireland Police Fund (NIPF) are based on a review of grading completed in 2005 and the level of pay settlements in the Northern Ireland Civil Service. Bonuses may be awarded either directly from NIPF or through the DOJ agreed performance and bonus arrangements.

In reaching its recommendations, DOJ has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The salaries for directly recruited staff are set by the Board of NIPF on advice from its Finance and General Purposes Committee having regard to a review of grading completed in 2005 and the level of settlements elsewhere in the public and private sector. Bonuses are awarded in accordance with the Fund's special bonus scheme.

### **Service contracts**

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

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](http://www.nicscommissioners.org).

Staff recruited directly are appointed through an external firm of recruitment agents. In accordance with NIPF policies all appointments are made on the basis of fair and open competition. Appointments may be made either on a fixed contract basis or open ended and early termination may give rise to an individual receiving compensation.

## Salary and pension entitlement

[Audited information]

The following section details the remuneration and pension interests of the most senior management of NIPF.

The Chairman of NIPF is the only Independent Board Member in receipt of remuneration.

Officials	Salary	Benefits in kind	*Pension Benefits	2016-17
	£000	(to nearest £100)	(to nearest £1000)	Total £
<b>Dr M Wardlow</b> Chairman from 1 April 2016	5-10	-	-	5-10
<b>Mr R Pedlow**</b> Chief Executive	30-35	-	7	40-45
Officials	Salary	Benefits in kind	*Pension Benefits	2015-16
	£000	(to nearest £100)	(to nearest £1000)	Total £
<b>Mr C Burrows</b> Chairman until 31 March 2016	5-10	-	-	5-10
<b>Mr R Pedlow**</b> Chief Executive from 31 March 2016	0-5 (30-35 full-year equivalent)	-	-	0-5
<b>Mr M Boyle</b> Chief Executive until 30 March 2016	50-55	-	4	55-60

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

*\*\*The Chief Executive works part-time and received a banded salary of £30-35,000 for a 0.621 full-time equivalent (FTE) post.*

### Salary

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

**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.

**Fair pay disclosure**

*[Audited information]*

	<b>2016-17</b>	<b>2015-16</b> <b>Restated</b>
<b>Band of highest paid Director's FTE Total Remuneration*</b>	£50-55,000	£50-55,000
<b>Median Total Remuneration*</b>	£28,000	£26,978
<b>Ratio</b>	1.87	1.95

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

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

The Chief Executive was the highest paid officer in the organisation with an annualised full-time equivalent (FTE) banded remuneration of £50-55,000. This was 1.87 times (2015-16: 1.95 times *restated*) the median remuneration of the workforce which was £28,000 (£2015-16: £26,978 *restated*).

No employee received remuneration in excess of the Chief Executive during either the year ended 31 March 2017 or the prior year ended 31 March 2016. Remuneration in 2016-17 ranged from £9,076 to £55,000 (FTE) (2015-16: £5,747 to £55,000 (FTE)).

**Pension entitlements***[Audited information]*

Officials	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17 or as noted	CETV at 31/3/16	Real increase in CETV	Employer contribution to partnership pension account (Nearest £100)
	£000	£000	£000	£000	£000	
<b>Mr R Pedlow</b> Chief Executive	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	49	41	7	-

No pension benefits are provided to the Independent Board Members.

**Northern Ireland Civil Service (NICS) Pension Schemes**

Pension benefits are provided through the Northern Ireland Civil Service pension schemes 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 reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed 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 were eligible for membership of the nuvos arrangement or they could have opted 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 reviewed annually in line with changes in the cost of living.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also 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 reviewed annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 to 31 March 2018 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - Classic members or classic members who have moved to alpha	Contribution rates - All other members
From	To		
£0	£15,000.99	4.60%	4.60%
£15,001.00	£21,422.99	4.60%	4.60%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£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 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach 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 is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website:

<https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

### ***Cash Equivalent Transfer Values***

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### ***Real increase in CETV***

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

### ***Compensation on early retirement or for loss of office***

*[Audited information]*

There were no compensation benefits paid by the Fund to any senior staff members during the financial year (2015-16: £nil).

**STAFF REPORT****Staff costs**

Staff costs comprise:

*[Audited information]*

	<b>Permanently Employed Staff £</b>	<b>Others £</b>	<b>2016-17 Total £</b>	<b>2015-16 Total £</b>
Wages and salaries	177,556	-	177,556	<b>175,970</b>
Social security costs	15,763	-	15,763	<b>14,726</b>
Other pension costs	36,287	-	36,287	<b>33,798</b>
<b>Total Gross Costs</b>	<b>229,606</b>	<b>-</b>	<b>229,606</b>	<b>224,494</b>
Less recoveries in respect of outward secondments	-	-	-	-
<b>Total Net Costs</b>	<b>229,606</b>	<b>-</b>	<b>229,606</b>	<b>224,494</b>

Staff (including the Chief Executive), who are Civil Servants on inward secondment, fall under the Civil Service pension provisions as set out in the Remuneration Report. Their pension costs are recharged to the Fund and accounted for as pension costs.

***Northern Ireland Civil Service (NICS) Pension arrangements***

The Northern Ireland Civil Service pension schemes are unfunded multi-employer defined benefit schemes but (insert employer's name) is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation 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 DoF Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £15,823 were payable to the NICS pension arrangements (2015-16: £14,202) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of alpha from April 2015. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.



Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £nil (2015-16: £nil) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2015-16: 3% to 14.7%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £nil, 0.5% (2015-16: £nil, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

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

There were no early retirements on ill-health grounds during 2016-17 (2015-16: none).

### **Other Pension Arrangements**

NIPF operates a defined contribution scheme for certain employees who are not Civil Servants. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity. The employer has no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For its defined contribution plan, the employer pays contributions to a privately administered pension plan on a contractual basis. The employer has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. During 2016-17, employers' contributions of £5,386 (2015-16: £5,346) were payable to the private pension provider. Contributions prepaid at 31 March 2017 were £nil (2015-16: £nil).

### **Average number of persons employed**

*[Audited information]*

The average number of whole-time equivalent persons employed during 2016-17 was 4.8 (2015-16: 5.2 *restated*).

During the year, four members of staff (2015-16: four) had permanent employment contracts. Two members of staff (2015-16: one) were on inward secondment. One additional person (2015-16: one) was employed on a zero hours contract.

## Staff composition

The number of persons employed at 31 March 2017 was as follows:

			31 March 2017	31 March 2016
	Female staff	Male staff	Total Staff	Total Staff
NIPF Board	2	6	8	8
Senior Civil Service	-	-	-	-
NIPF Employees	6	1	7	7

## Managing attendance

The reported average number of working days lost due to sickness per employee for 2016-17 was 4.2 days (2015-16: 5 days).

## Staff Policies

NIPF is committed to the development of its staff and to policies that enable them to contribute to the performance and long-term effectiveness of the organisation.

In particular NIPF:

- will ensure that all eligible persons shall have equal opportunity for employment and advancement in NIPF on the basis of their ability, qualifications and aptitude for the work; in other words 'on the basis of merit';
- embraces issues of diversity, inclusivity and equality of opportunity, with recruitment and retention processes and policies fully embracing those concepts;
- gives equality of opportunity when considering applications from disabled persons, in compliance with all existing legislation; and
- recognises the benefits of keeping employees informed of progress and issues affecting NIPF through formal and informal meetings.

## **Equal opportunities and diversity**

The policy of NIPF is that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for work. Under the policy, no person must be treated less favourably, in any respect of his/her employment, for a reason related to gender, marital status, religious belief, political opinion, disability, colour, ethnic or national origin, age, sexual orientation and having dependants, which should be irrelevant to the treatment or assessment of that individual.

NIPF is an Equal Opportunity employer and is fully committed to the elimination of all forms of harassment and bullying, discrimination and victimisation. NIPF recognises the legal obligations under which it operates and ensures working relationships are based on mutual trust, respect and understanding. This allows the maximum potential to be made of the wide variety of skills, abilities and attributes available within the Fund.

## **Employment of disabled persons**

NIPF aims to ensure that people with a disability suffer no detriment in recruitment and advancement and that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and Disability Discrimination (Amendment) Regulations 2003. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities.

## **Learning and development**

NIPF is committed to ensuring that staff have the opportunity to develop as far as possible within the organisation. During the year training was provided for both Board Members and staff in corporate governance.

## **Employee involvement**

Staff involvement in the work of NIPF is actively encouraged as part of the day-to-day process of line management.

## **Expenditure on consultancy**

NIPF incurred £nil expenditure on consultancy during 2016-17 (2015-16: £nil).

## **Off-payroll payments**

NIPF made no off-payroll payments in 2016-17 (2015-16: none).

## **Reporting of Civil Service and other compensation schemes - exit packages**

*[Audited information]*

NIPF incurred no expenditure on compulsory redundancies or other departures during 2016-17 (2015-16: £nil).

**ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT****ASSEMBLY ACCOUNTABILITY DISCLOSURES****Regularity of expenditure*****Losses and special payments***

*[Audited information]*

There were no losses or special payments that require disclosure in 2016-17 (2015-16: none).

**Remote Contingent Liabilities**

*[Audited information]*

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. NIPF had no significant remote contingent liabilities during 2016-17 that require disclosure. Note 12 provides further details regarding the contingent liabilities that are included within the financial statements.

**ACCOUNTABILITY REPORT**

**R G Pedlow**  
**Chief Executive and Accounting Officer**  
**Date: 28 March 2018**

## **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 Northern Ireland Police Fund for the year ended 31 March 2017 under the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability and Audit Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer are 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 Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Police Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Police Fund; 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/report.

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

### **Opinion on regularity**

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Police Fund's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice directions issued thereunder.

## Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit report to be audited have been properly prepared in accordance with Department of Justice directions made under the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.

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



30 March 2018

## **FINANCIAL STATEMENTS**

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

#### **For the year ended 31 March 2017**

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.

	<b>Note</b>	<b>2016-17 £</b>	<b>2015-16 £</b>
Income from sale of goods and services		-	-
Other operating income		-	-
<b>Total operating income</b>		<b>-</b>	<b>-</b>
Staff costs	3	229,606	224,494
Purchase of goods and services	4	119,196	117,181
Depreciation and impairment charges	4	3,588	1,918
Grants	4	1,113,702	1,108,456
<b>Total operating expenditure</b>		<b>1,466,092</b>	<b>1,452,049</b>
<b>Net operating expenditure</b>		<b>1,466,092</b>	<b>1,452,049</b>
Finance expense	4	1,207	1,566
<b>Net expenditure for the year</b>		<b>1,467,299</b>	<b>1,453,615</b>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to Net operating expenditure:			
- net (gain)/loss on revaluation of property, plant and equipment	5	(535)	-
- net (gain)/loss on revaluation of intangibles	6	(40)	-
<b>Comprehensive net expenditure for the year</b>		<b>1,466,724</b>	<b>1,453,615</b>

The notes on pages 31 to 44 form part of these Accounts.

## Statement of Financial Position

## As at 31 March 2017

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

	Note	2016-17 £	2015-16 £
<b>Non-current assets</b>			
Property, plant and equipment	5	19,145	9,654
Intangible assets	6	1,631	3,183
<b>Total non-current assets</b>		<b>20,776</b>	<b>12,837</b>
<b>Current assets</b>			
Trade and other receivables	9	4,139	2,874
Cash and cash equivalents	8	50,523	55,324
<b>Total current assets</b>		<b>54,662</b>	<b>58,198</b>
<b>Total assets</b>		<b>75,438</b>	<b>71,035</b>
<b>Current liabilities</b>			
Trade and other payables	10	(34,467)	(48,340)
<b>Total current liabilities</b>		<b>(34,467)</b>	<b>(48,340)</b>
<b>Total assets less net current liabilities</b>		<b>40,971</b>	<b>22,695</b>
<b>Non-current liabilities</b>			
		-	-
<b>Total assets less total liabilities</b>		<b>40,971</b>	<b>22,695</b>
<b>Taxpayers' equity and other reserves</b>			
General fund		40,396	22,695
Revaluation reserve		575	-
<b>Total equity</b>		<b>40,971</b>	<b>22,695</b>



**R G Pedlow**  
Chief Executive and Accounting Officer

**Date: 28 March 2018**

The notes on pages 31 to 44 form part of these Accounts.



## Statement of Cash Flows

### For the year ended 31 March 2017

This Statement shows the changes in cash and cash equivalents of the Northern Ireland Police Fund (NIPF) during the reporting period. The statement shows how NIPF 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 NIPF. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Fund's future public service delivery.

	Note	2016-17 £	2015-16 £
<b>Cash flows from operating activities</b>			
Net expenditure for the year		(1,467,299)	(1,453,615)
Adjustment for non-cash transactions	4	3,588	1,918
(Increase)/decrease in trade and other receivables	9	(1,265)	(1,649)
Increase in trade and other payables	10	(13,873)	28,372
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(8,900)	-
<b>Net cash outflow from operating activities</b>		<b>(1,487,749)</b>	<b>(1,424,974)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,052)	(9,102)
Purchase of intangible assets		-	-
<b>Net cash outflow from investing activities</b>		<b>(2,052)</b>	<b>(9,102)</b>
<b>Cash flows from financing activities</b>			
Grant from sponsoring department		1,485,000	1,481,000
<b>Net financing</b>		<b>1,485,000</b>	<b>1,481,000</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(4,801)</b>	<b>46,924</b>
<b>Cash and cash equivalents at the beginning of the period</b>	8	<b>55,324</b>	<b>8,400</b>
<b>Cash and cash equivalents at the end of the period</b>	8	<b>50,523</b>	<b>55,324</b>

The notes on pages 31 to 44 form part of these Accounts.

## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2017

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

	General Fund £	Revaluation Reserve £	Taxpayers' Equity £
<b>Balance at 31 March 2015</b>	<b>(4,690)</b>	-	<b>(4,690)</b>
Grant from sponsoring department	1,481,000	-	1,481,000
Comprehensive net expenditure for the year	(1,453,615)	-	(1,453,615)
Transfer between reserves	-	-	-
<b>Balance at 31 March 2016</b>	<b>22,695</b>	-	<b>22,695</b>
Grant from sponsoring department	1,485,000	-	1,485,000
Comprehensive net expenditure for the year	(1,467,299)	575	(1,466,724)
Transfer between reserves	-	-	-
<b>Balance at 31 March 2017</b>	<b>40,396</b>	<b>575</b>	<b>40,971</b>

The notes on pages 31 to 44 form part of these Accounts.

## Notes to the Accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 NIPF for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIPF are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

#### 1.1 Accounting convention

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

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

#### 1.2 Going concern

NIPF is a Non-Departmental Public Body (NDPB) within the Department of Justice (DOJ) having been established on 1 April 2016 to replace the previous Company under the Northern Ireland Police Fund Regulations. The future financing of the Fund's activities is expected to be met by the DOJ provided from funding from the Consolidated Fund. NIPF takes the view that the going concern concept applies as long as the provisions of the Northern Ireland Police Fund Regulations remain extant.

#### 1.3 Property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is capitalised. Where material 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.

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. In compliance with IAS 16 *Property, Plant and Equipment*, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

All property, plant and equipment are carried at fair value.

#### 1.4 Intangible assets

Expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets.

All intangible assets are carried at fair value. Software licences are revalued annually using appropriate indices provided by the Office for National Statistics.

#### 1.5 Revaluation Reserve

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.

#### 1.6 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point when the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

<i>Asset category</i>	<i>Useful Life</i>
Plant and machinery	5 - 15 years
Information technology	5 years
Intangible assets (software and licences)	5 years

Software licences are amortised over the shorter of the term of the licence and the useful economic life.

#### 1.7 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.

#### 1.8 Value Added Tax

Value added tax (VAT) is not applicable in respect of income receipts. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

## 1.9 Third-party assets

Third-party assets are assets for which NIPF acts as custodian or trustee, but in which neither NIPF nor Government more generally has a direct beneficial interest. Third-party assets are not public assets, and hence are not recorded in the primary financial statements.

## 1.10 Financing

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

## 1.11 Classification of Income and Expenditure

The Statement of Comprehensive Net Expenditure for NIPF only includes programme income and expenditure. The classification of income or expenditure as programme follows the definition set by the Department of Finance.

## 1.12 Income

Income is accrued and accounted for in the period in which it was earned in the Statement of Comprehensive Net Expenditure.

## 1.13 Staff costs

Under IAS19 (revised) *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 as at the reporting date. The cost of untaken leave has been determined from staff leave records.

## 1.14 Pensions

Employees of NIPF who are civil servants are covered by the provisions of the NICS pension arrangements. These defined benefit schemes are unfunded. NIPF 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 NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements

In addition, NIPF operates a defined contribution scheme for certain employees who are not Civil Servants. In respect of defined contribution schemes, NIPF recognises the contributions payable for the year.

Further details regarding the above schemes are contained in the Remuneration Report and the Staff Report within the Accountability Report.

### **1.15 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.

### **1.16 Grants Payable**

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year are recorded as expenditure for that period.

### **1.17 Segmental Reporting**

In line with the provisions of IFRS 8, Operating Segments, NIPF does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments.

### **1.18 Financial Instruments**

#### **Recognition and De-recognition of Financial Assets and Financial Liabilities**

Financial assets and liabilities are recognised when the Fund becomes party to the contractual provisions of the instrument.

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

#### **Financial assets**

##### ***Trade and other receivables***

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables.

##### ***Cash and cash equivalents***

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

#### **Financial Liabilities**

##### ***Trade and other payables***

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

### 1.19 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. NIPF continually evaluates its 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.

#### ***Depreciation of property, plant and equipment and amortisation of intangible assets***

Depreciation and amortisation 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 1.6.

Other than as noted above, no material accounting estimates or judgements were made by NIPF in preparing these accounts.

## 1.20 Accounting standards, interpretations and amendments to published standards and *FReM*

### Update on 2015-16 position:

Standard	Comments
IFRS 10 - <i>Consolidated Financial Statements</i>	The International Accounting Standards Board (IASB) issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.
IFRS 11 - <i>Joint Arrangements</i>	
IFRS 12 - <i>Disclosure of Interests in Other Entities</i>	
	Accounting boundary for IFRS purposes are currently adapted in the <i>FReM</i> so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by HM Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, NIPF will be Consolidated within the Financial Statements of the Department of Justice.

### Issued and effective in 2016-17 for the first time:

NIPF has considered the accounting initiatives identified by HM Treasury effective in 2016-17 for the first time and considers that these changes are not relevant or material to its operations.

## 1.21 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 Fund's accounting periods beginning on or after 1 April 2017 or later periods, but which NIPF has not adopted early. Other than as outlined below, NIPF considers that these standards are not relevant or material to its operations.

Standard	<b>IFRS 16 - Leases (IAS 17 Leases replacement) (new)</b>
<b>Effective date</b>	1 January 2019 (not yet EU adopted) - with a view to include in the 2019-20 <i>FReM</i> .
<b>Description of revision</b>	IFRS 16 has been developed by the IASB with the aim of improving the financial reporting of leasing activities in light of criticisms that the previous accounting model for leases failed to meet the needs of users of financial statements.  IFRS 16 largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This is a significant change in lessee accounting.
<b>Comments</b>	The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury will issue an Exposure Draft on IFRS 16 in early 2018.



## 1.22 Financial Reporting - Future Developments

NIPF has considered the accounting initiatives identified by HM Treasury for which the Standards are under development and considers that these changes are not relevant or material to its operations.

## 2. Statement of Operating Costs by Operating Segment

In the opinion of the Management Board, NIPF operates only one reportable segment and all income and expenditure as shown in the Statement of Comprehensive Net Expenditure is attributable to the overall services provided by NIPF. All the Fund's financing is derived from the DOJ through grant-in-aid and all services undertaken are within Northern Ireland. All non-current assets are located in Northern Ireland.

## 3. Staff costs

	2016-17 £	2015-16 £
Wages and salaries	177,556	175,970
Social security costs	15,763	14,726
Other pension costs	36,287	33,798
<b>Total Gross Costs</b>	<b>229,606</b>	<b>224,494</b>
Less recoveries in respect of outward secondments	-	-
<b>Total Net Costs</b>	<b>229,606</b>	<b>224,494</b>

Further details regarding the above costs for permanent staff can be found in the Staff Report within the Accountability Report.

## 4. Other operating costs

	Note	2016-17 £	2015-16 £
<b>Purchase of goods and services</b>			
Staff related costs		19,757	8,663
Rentals under operating leases		50,000	50,000
Accommodation, maintenance and utilities		1,601	1,074
IT, communications and office services		21,937	26,110
Contracted out services		1,182	241
Professional costs		24,296	30,813
Other		423	280
		<b>119,196</b>	<b>117,181</b>
<b>Depreciation and impairment charges</b>			
Depreciation	5	1,996	327
Amortisation	6	1,592	1,591
		<b>3,588</b>	<b>1,918</b>
<b>Grants</b>			
Bereavement grants		-	126,756
Disability adaption grants		243,481	144,848
Disability support grants		-	156,530
Disabled Police Officers Association		4,145	-
Early widow's award		203,680	241,042
Educational bursaries		73,650	73,250
Forgotten families		460	3,691
General support		267,546	-
Individual support		7,349	-
Injured Police survivors/carers		3,515	-
Pain management		733	1,920
Parents association		31,100	29,291
Recognition payments		202,065	253,700
Regular payments scheme		44,972	44,908
Respite care		29,739	21,446
Widow association and carers		13,880	13,284
Wounded Police and Families Association		12,365	15,043
Recovery of grants paid out in previous financial years		(24,978)	(17,253)
		<b>1,113,702</b>	<b>1,108,456</b>
<b>Total Programme costs excluding Finance expense</b>		<b>1,236,486</b>	<b>1,227,555</b>
<b>Finance expense</b>		<b>1,207</b>	<b>1,566</b>
<b>Total Programme costs including Finance expense</b>		<b>1,237,693</b>	<b>1,229,121</b>

## 5. Property, plant and equipment

				2016-17
	Fixtures & Fittings £	Computer Equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	11,249	64,056	-	75,305
Additions	2,052	-	8,900	10,952
Disposals	(822)	(27,344)	-	(28,166)
Reclassification	-	(26,731)	-	(26,731)
Revaluation released to SoCNE	-	-	-	-
Revaluation	-	698	-	698
<b>At 31 March 2017</b>	<b>12,479</b>	<b>10,679</b>	<b>8,900</b>	<b>32,058</b>
<b>Depreciation</b>				
At 1 April 2016	11,249	54,402	-	65,651
Charged in year	-	1,996	-	1,996
Disposals	(822)	(27,344)	-	(28,166)
Reclassification	-	(26,731)	-	(26,731)
Revaluation released to SoCNE	-	-	-	-
Revaluation	-	163	-	163
<b>At 31 March 2017</b>	<b>10,427</b>	<b>2,486</b>	<b>-</b>	<b>12,913</b>
<b>Carrying amount at 31 March 2017</b>	<b>2,052</b>	<b>8,193</b>	<b>8,900</b>	<b>19,145</b>
<b>Carrying amount at 31 March 2016</b>	<b>-</b>	<b>9,654</b>	<b>-</b>	<b>9,654</b>
<b>Asset financing:</b>				
Owned	2,052	8,193	8,900	19,145
<b>Carrying amount at 31 March 2017</b>	<b>2,052</b>	<b>8,193</b>	<b>8,900</b>	<b>19,145</b>

## 5. Property, plant and equipment (continued)

				2015-16
	Fixtures & Fittings £	Computer Equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	11,249	54,954	-	66,203
Additions	-	9,102	-	9,102
Disposals	-	-	-	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	-	-	-
Revaluation	-	-	-	-
<b>At 31 March 2016</b>	<b>11,249</b>	<b>64,056</b>	<b>-</b>	<b>75,305</b>
<b>Depreciation</b>				
At 1 April 2015	11,249	54,075	-	65,324
Charged in year	-	327	-	327
Disposals	-	-	-	-
Reclassification	-	-	-	-
Revaluation released to SoCNE	-	-	-	-
Revaluation	-	-	-	-
<b>At 31 March 2016</b>	<b>11,249</b>	<b>54,402</b>	<b>-</b>	<b>65,651</b>
<b>Carrying amount at 31 March 2016</b>	<b>-</b>	<b>9,654</b>	<b>-</b>	<b>9,654</b>
<b>Carrying amount at 31 March 2015</b>	<b>-</b>	<b>879</b>	<b>-</b>	<b>879</b>
<b>Asset financing:</b>				
Owned	-	9,654	-	9,654
<b>Carrying amount at 31 March 2016</b>	<b>-</b>	<b>9,654</b>	<b>-</b>	<b>9,654</b>

Property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

During the year computer software previously disclosed as computer equipment within Property, plant and equipment was reclassified as an Intangible asset.

## 6. Intangible assets

	2016-17 £	2015-16 £
<b>Cost or valuation</b>		
At 1 April	7,956	7,956
Additions	-	-
Disposals	(25,174)	-
Reclassification	26,731	-
Revaluation released to SoCNE	-	-
Revaluation	199	-
<b>At 31 March</b>	<b>9,712</b>	<b>7,956</b>
<b>Amortisation</b>		
At 1 April	4,773	3,182
Charged in year	1,592	1,591
Disposals	(25,174)	-
Reclassification	26,731	-
Revaluation released to SCONE	-	-
Revaluation	159	-
<b>At 31 March</b>	<b>8,081</b>	<b>4,773</b>
<b>Carrying amount at 31 March</b>	<b>1,631</b>	<b>3,183</b>
<b>Asset financing:</b>		
Owned	1,631	3,183
<b>Carrying amount at 31 March</b>	<b>1,631</b>	<b>3,183</b>

Intangible assets were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

During the year computer software previously disclosed as computer equipment within Property, plant and equipment was reclassified as an Intangible asset, and all obsolete computer software was disposed of / removed from the asset register.

## 7. Financial Instruments

As the cash requirements of NIPF are met through Grant-in-Aid provided by DOJ, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Fund's expected purchase and usage requirements and NIPF is therefore exposed to little credit, liquidity or market risk.

**8. Cash and cash equivalents**

	2016-17 £	2015-16 £
Balance at 1 April	55,324	8,400
Net change in cash and cash equivalent balances	(4,801)	46,924
<b>Balance at 31 March</b>	<b>50,523</b>	<b>55,324</b>

The following balances at 31 March are held at:

Commercial banks and cash in hand	50,523	55,324
<b>Balance at 31 March</b>	<b>50,523</b>	<b>55,324</b>

**9. Trade receivables and other assets**

	2016-17 £	2015-16 £
<b>Amounts falling due within one year:</b>		
Other receivables	725	-
Prepayments and accrued income	3,414	2,874
	<b>4,139</b>	<b>2,874</b>
<b>Amounts falling due after more than one year:</b>		
Other receivables	-	-
	-	-
<b>Total</b>	<b>4,139</b>	<b>2,874</b>

**10. Trade payables and other current liabilities**

	2016-17 £	2015-16 £
<b>Amounts falling due within one year:</b>		
Accruals and deferred income	34,467	48,340
	<b>34,467</b>	<b>48,340</b>
<b>Amounts falling due after more than one year:</b>		
Other payables	-	-
	-	-
<b>Total</b>	<b>34,467</b>	<b>48,340</b>

## 11. Capital and other commitments

### 11.1 Capital commitments

There were no other capital commitments at 31 March 2017 (31 March 2016: £nil).

### 11.2 Commitments under leases

#### Operating leases

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

	2016-17 £	2015-16 £
<b>Obligations under operating leases comprise:</b>		
<i>Land and buildings</i>		
Not later than one year	35,790	50,000
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<b>35,790</b>	<b>50,000</b>

### 11.3 Other financial commitments

There were no other financial commitments at 31 March 2017 (31 March 2016: £nil).

## 12. Contingent liabilities

There were no contingent liabilities at 31 March 2017 (31 March 2016: £nil).

## 13. Related party transactions

The DOJ, as the Fund's Sponsor Department, is regarded as a related party. During the year, NIPF had a number of material transactions with DOJ.

NIPF has a Service Level Agreement with Police Rehabilitation and Retraining Trust (PRRT) for leasing a property during the financial year with a charge for 2016-17 of £50,000. The annual charge has subsequently been renegotiated resulting in a reduction in the charge to £35,790 for 2017-18.

None of the members of the Management Board had any personal transactions with the Fund.

**14. Third-party assets**

NIPF does not hold any assets on behalf of third parties.

**15. Events after the reporting date**

There were no events after the reporting date that required disclosure.

**Date for authorisation of issue**

The Accounting Officer authorised these financial statements for issue on XX March 2018.