

NORTHERN IRELAND PRISON SERVICE

ANNUAL REPORT AND ACCOUNTS 2023-24

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ANNUAL REPORT AND ACCOUNTS 2023-24 For the year ended 31 March 2024

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by the Department of Justice
on 5 July 2024



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CONTENTS	Page
<u>PERFORMANCE REPORT</u>	
Overview	
– Foreword by Accounting Officer	1
– Statement of Purpose and Activities	3
– Performance Summary and Forward Look	8
Performance analysis	17
<u>ACCOUNTABILITY REPORT</u>	
Corporate Governance Report	
– Directors’ Report	30
– Non-Executive Members’ Report	32
– Statement of Accounting Officer’s Responsibilities	34
– Governance Statement	35
Remuneration and Staff Report	44
Assembly Accountability and Audit Report	
– Other Assembly Accountability Disclosures	63
– Certificate and Report of the Comptroller and Auditor General	64
<u>FINANCIAL STATEMENTS</u>	
Statement of Comprehensive Net Expenditure	70
Statement of Financial Position	71
Statement of Cash Flows	72
Statement of Changes in Taxpayers’ Equity	73
Notes to the Accounts	74

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PERFORMANCE REPORT

OVERVIEW

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

- a statement from the Director General providing her perspective on the performance of the Agency over the period;
- a statement of the purpose and activities of the Agency;
- the key issues and risks that could affect the Agency in delivering its objectives; and
- a performance summary.

FOREWORD BY ACCOUNTING OFFICER

I am pleased to present the Annual Report and Accounts for the Northern Ireland Prison Service (NIPS) for the year ending 31 March 2024, having assumed the role of Director General and Accounting Officer on 31 July 2023. I would like to place on record my thanks to my predecessor, Ronnie Armour for his immense contribution to the work of NIPS during the 6½ years ending June 2023.

At the outset, I would like to pay tribute to the dedication and commitment of staff in NIPS for their individual and collective contribution to our work. Since returning to NIPS I have been struck by their commitment to supporting those within our care - whether as Prison Officers, policy makers, or operational support staff. Without their resilience and innovation, I have no doubt that we would not be where we are today.

The operating context for the organisation has continued to be an extremely challenging one, with a sustained increase in the prison population, including those held on remand. The 2022-23 Annual Report noted that a population exceeding 1,900 was not inconceivable in the year ahead – this was surpassed in July 2023. Indeed, the population has remained stubbornly high throughout the year, finishing at 1,886 on 1 April 2024. The proportion of our population who are on remand continues to be a cause for concern at 36.4% (687 people) on the same date. This sustained increase continues to place an immense strain upon the entire organisation and its aging estate, with service delivery impacted as resources continue to be stretched to their limit.

The key to NIPS success in recent years has been a focus on supporting purposeful activity and rehabilitation. Population and staffing pressures place a strain on the personal development of prisoners, the provision of learning and skills, release preparation and sociable, creative and recreational activity. All of this leads to a deterioration in release planning and preparation, which in turn has an adverse impact on reoffending rates and resettlement on release from prison.

We have welcomed 177 new staff during the last year, 150 of whom were prison grades and 27 non-operational staff (including professional and technical grades). We wish them well for their future career. However, our staffing complement remains well below the level required to maintain a full, rehabilitative regime for the current population.

I want to extend my thanks to our many partners within both the statutory sector and in particular, the voluntary and community sector. In doing so, I also want to recognise the constructive role our trade unions play in our prisons. Like my predecessor, I am concerned that provision of healthcare within our prisons continues to be underfunded, but am exceptionally grateful to our healthcare in prisons partners for their vital work. I also want to place on record my thanks to our dedicated team of Chaplains and to the members of our Independent Monitoring Boards who give up their time on a voluntary basis. We owe a great debt of gratitude to those who volunteer in our prisons; they truly are unsung heroes.

We are increasingly seeing more people coming into our prisons with a range of complex unmet health and social care needs. Mental health and addiction issues continue to be particularly prevalent, and I am increasingly concerned at the number of those placed in prison with acute mental health issues. Indeed, I have to concur with the assessment of the Regulation and Quality Improvement Authority (RQIA) in 2021 that there are individuals being placed in our Care and Supervision Units “due to the lack of availability of a suitable alternative”. I would echo the sentiments of my predecessor that implementation of the RQIA recommendations, contained in its Review of Services for Vulnerable Persons Detained in NI Prisons, must be implemented with more urgency.

Significant progress was made to deliver year two of our Prisons 25 by 25 Continuous Improvement Programme. This three year Programme, which set out 25 commitments we will deliver by 2025, is focused on delivering rehabilitation through Our People, Our Services, Our Infrastructure, Our Partnerships and Our Contribution to the community we serve.

A first bespoke NIPS Staff Survey was undertaken this year. I look forward to working with our staff and trade union colleagues to develop our response to the results of this survey, when available.

I am very grateful to colleagues across the organisation and indeed, to the Prison Service Management Board and members of the Executive Forum for their warm welcome and support since I took up post on 31 July 2023. I look forward to building further on the collective achievements of the organisation in the year ahead.

BEVERLEY WALL
Director General and Accounting Officer
Northern Ireland Prison Service

STATEMENT OF PURPOSE AND ACTIVITIES

History and statutory background

NIPS was established as an Executive Agency of the Northern Ireland Office in April 1995 under the Government's Next Steps Initiative.

On 12 April 2010 an amendment to Schedule 3 of the Northern Ireland Act 1998 devolved justice functions in Northern Ireland to the Northern Ireland Assembly and the Department of Justice (DoJ) came into existence as a new Northern Ireland Department. From this date, NIPS became an Executive Agency of DoJ.

The Annual Report and Accounts of NIPS for the year ended 31 March 2024 will be laid in the Northern Ireland Assembly.

NIPS is responsible for the operation and delivery of services within the Northern Ireland prison system with the main statutory duties set out in the Prison Act (Northern Ireland) 1953.

Statement of purpose

As part of our journey towards reform, NIPS has redefined and refocused its statement of purpose as, "making the community safer by supporting and challenging people to change".

Vision

NIPS vision is that our Service will:

- achieve better outcomes for people in our care;
- deliver safe, secure and decent custody;
- develop a highly skilled and professional workforce;
- work in partnership with stakeholders;
- develop a fit for purpose estate;
- deliver stable and controlled finances; and
- promote public confidence.

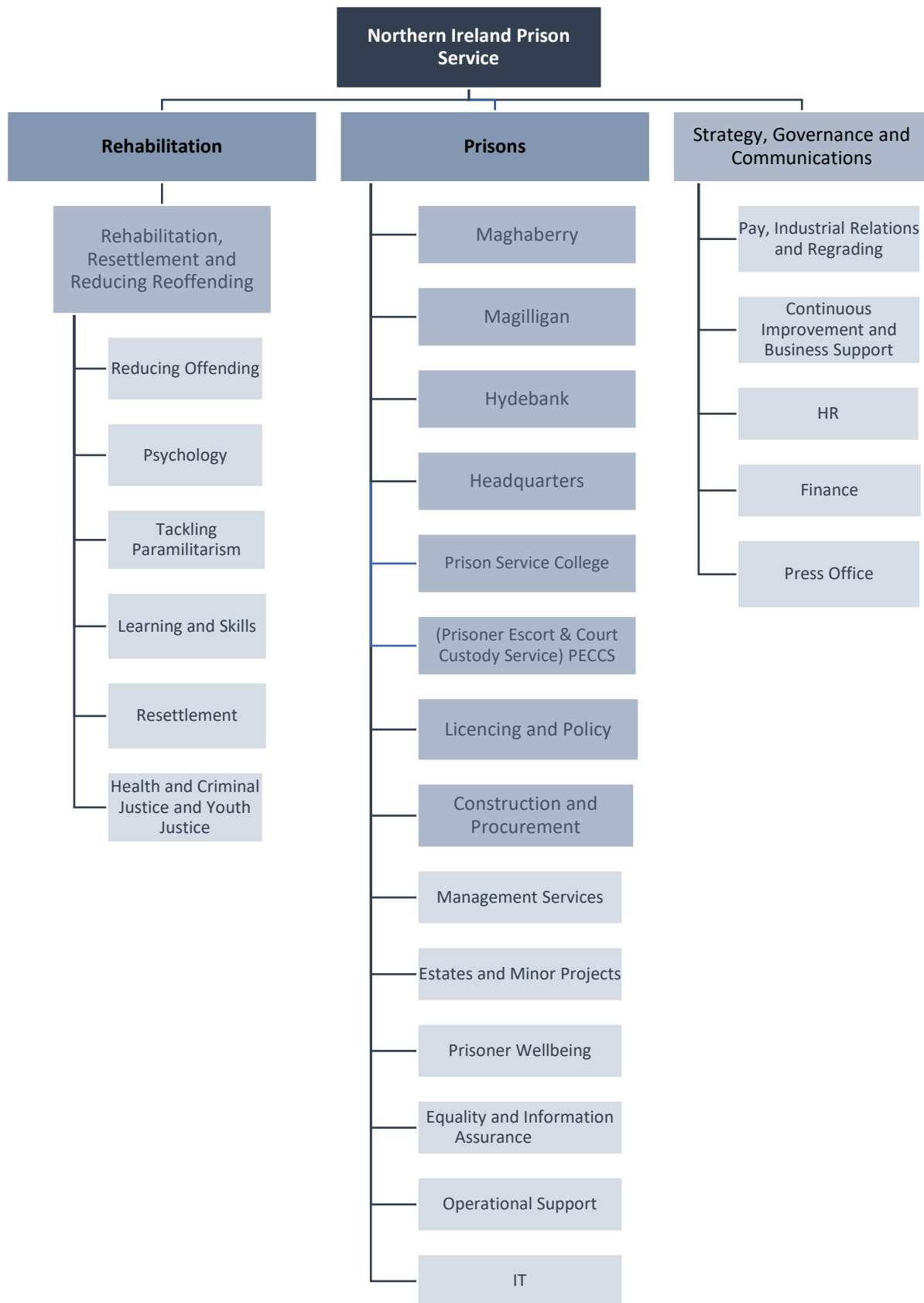
Strategic aims

NIPS has also identified three strategic aims, which support delivery against this core purpose. These are:

- safe, secure and decent custody;
- reform and modernise to create an effective and efficient Service; and
- reduce the risk of reoffending.

Organisational structure

The organisational structure of NIPS is as follows:



The structure will be subject to change in 2024-25.

Key risks and issues

NIPS strategic risks are regularly reviewed and scrutinised by the Prison Service Management Board (PSMB) and by the Audit and Risk Committee. A summary of the organisation's top risks can be found below, with the final risk relating to the rising rate of custodial reoffending introduced in its own right and approved by PSMB in April 2024.

NIPS has managed these risks through robust governance structures and by putting mitigations in place as early as possible to minimise the risk. Each risk has been proactively managed with a view to minimising impact and this made a significant contribution to the ability of NIPS to meet the objectives set for this year. Identified risks include:

Safety and security

A significant operational failure by NIPS results in escape, significant security breach, serious prison incident, loss of accommodation, or release in error.

Stability of workforce

Failure to effectively plan to ensure operational staffing levels meet the needs of the organisation would lead to negative impacts on current staff and people in our care. It would also limit our ability to deliver rehabilitation and reduce the risk of reoffending.

Health and social care

Health services failure to meet the needs of the prison population including people in prison with mental health issues and/or at risk of self harm could lead to deaths in custody; increased admission to external hospital requiring bed watch; increased levels of self-harm; or increased levels of people in prison who should be managed in low, medium or high secure mental health environments.

Prison estate

Lack of capital and resource commitment to support the future prison estate could lead to the current built environment not being fit for purpose in supporting a productive workplace for staff, rehabilitation for prisoners and contributing to reducing reoffending. This could lead to criticism from oversight bodies, such as Criminal Justice Inspection Northern Ireland (CJINI); slowed roll out of digitisation due to unsuitable infrastructure; sustainability targets not being met; high energy and water consumption tariffs; or high maintenance resource costs.

Industrial relations

Potential for the deterioration of relations with staff associations which would disrupt operational delivery.

Insufficient funding/Budget pressures

Pressures as a result of the increased prisoner population, such as increased staffing, accommodation and prisoner related costs, along with annual increases to pay and non-pay costs as a result of pay awards and inflation. In year funding was required to ensure a break-even outturn in 2023-24. However, this is non-recurrent and will be compounded by 2024-25 pressures. If no additional funding is allocated, NIPS will face significant challenges in maintaining a safe and secure regime, with increased

Key risks and issues (continued)

crowding and the lack of rehabilitation that can be delivered will have a detrimental impact on public safety.

Ability to deliver outcomes

An increasing prisoner population is putting strains on all parts of our service delivery and leads to a need to concentrate prisoners in the accommodation that NIPS has available and can appropriately staff within current staffing levels. Crowded accommodation increases the likelihood of incidents (either collective or individual) that can impact upon the good order, discipline and security of prisons. Furthermore, the combination of an increasing population, balanced with staff availability, impacts upon the delivery of healthy regimes within and beyond residential areas and NIPS continued performance against His Majesty's Inspectorate of Prisons Healthy Prisons Measures.

Rising rate of custodial reoffending

Recovery from Covid followed immediately by an increasing prison population has had unintended consequences on the ability of the Prisoner Development Model to support rehabilitation and resettlement. The rise in population has also adversely impacted upon the provision of effective rehabilitation and resettlement services to people in our care. This results in a lack of timely access to support services and increases the possibility of some people leaving custody without appropriate release planning in place. It also affects our ability to meet our statutory obligations, such as responding to parole commissioner directions in a timely manner.

Equality of delivery of services to different groups in society

All prisoners have equal access to services provided within the prison. To promote good relations and eliminate discrimination, NIPS Prison Establishments each have an Equality & Diversity (E&D) Committee chaired by the Deputy Governor and supported by an E&D coordinator at Senior Officer Grade.

Meetings are held monthly, where possible, to monitor the equality of provision of services to all prisoners. Attendees include Headquarters, Residence, Safer Custody, Equality Commission, Chaplaincy, Probation, Start 360, Independent Monitoring Board, Healthcare and (CJINI).

Prisoner Forums meet in advance of the main meeting to raise any issues prisoners may have. In addition to issues raised by prisoner representatives, statistical reports are reviewed and examined for any anomalies in decision making relating to the provision of services, discipline, drug testing, searches, complaints, adjudications etc., all broken down by Section 75 group. Governors are asked to investigate and explain any apparent anomalies.

There is a complaints procedure for prisoners and NIPS is also subject to oversight and scrutiny by the Prisoner Ombudsman, CJINI, The Red Cross, Equality Commission, Human Rights Commission, Independent Monitoring Board and the United Nations Conventions around Human Rights amongst others, who investigate

Equality of delivery of services to different groups in society (continued)

and raise issues around equality and the provision of services. Any issues raised by these bodies are investigated and addressed as necessary.

On receipt of the 2018 CJINI Maghaberry Inspection Report recommendation to investigate the poorer outcomes experienced by Catholic prisoners in key areas, the Director General commissioned a research report from Queen's University Belfast.

The resulting report found no significant difference between Catholics and Protestants when all factors including individual, societal and prison related variables are considered in relation to adjudication charges, guilty adjudications, PREPS (Progressive Regime Earned Privileges Scheme) regime level and SPAR (Supporting People at Risk) involvement.

In relation to submission of complaints, religion was found to be a significant factor in a participant's likelihood of submitting complaints with Protestants having a lower likelihood of submitting complaints than Catholics. This report led to the development of a plan to universally apply these findings within the NIPS operational environment.

NIPS holds a number of events annually in all Establishments and provides training for prisoners and staff to raise awareness, foster good relations and provide a better understanding and appreciation of equality and diversity issues. These events and training in Human Rights, Inter-cultural Diversity, Equality and Diversity, Dignity at Work, JAM (Just a Minute), Modern Slavery and Human Trafficking, Unconscious Bias etc, benefit Officers supporting people to change their behaviour.

In response to the Independent Reviews of Progress (IRPs) published by CJINI at Magilligan and Maghaberry in February 2024, we have extended the scope of consultation with prisoners by restructuring our residential forums. Both prisons have sought to work in partnership with the Independent Monitoring Board to improve prisoner representation and engagement. In addition, the format of our E&D committee has been adjusted to include prisoner perceptions of staff treatment as a standing agenda item. This has been supplemented by complaint monitoring by the Deputy Governor.

NIPS is an Equal Opportunities employer, where all eligible persons have equal opportunity for employment and advancement in the Service based on their ability, qualifications and aptitude for the work.

In addition, NIPS applies the recruitment principles as set out in the Recruitment Policy and Procedures Manual of the Northern Ireland Civil Service (NICS), appointing candidates based on merit through fair and open competition. All panel members sitting on interview panels complete Recruitment and Selection training, which includes raising awareness of unconscious bias. In addition, in order to maintain and promote a diverse and inclusive workforce the NICS, including NIPS, have in place a range of policies and procedures, as well as the use of Positive Action Advertising Statements to encourage applications from under-represented groups, and the provision of support for reasonable adjustments required as a result of Disability Discrimination Act requirements.

PERFORMANCE SUMMARY AND FORWARD LOOK

PERFORMANCE SUMMARY

Prison Population

The prison population in Northern Ireland has continued to increase significantly, and by over 30% since January 2021. The percentage and total number of remand prisoners has also continued to rise, broadly in parallel with the sentenced population. This sustained increase in the prison population in NI is likely to have similar drivers to those in other jurisdictions, including the recovery of the justice system post-Covid-19.

To allow us to plan from an operational and budgetary perspective NIPS are updating our short/medium term prison population trend data on a monthly basis. From this data, and unless there is a significant change in the factors affecting population growth, we anticipate a prison population exceeding 2,000 in mid-2024.

Maghaberry is the only adult male committal prison in Northern Ireland and the pressure from the rise in population is felt most acutely there. Given that we are sustaining our only other adult male prison, Magilligan, at its maximum capacity, the majority of any further increases would need to be absorbed at Maghaberry. At Maghaberry, we are already doubling-up 350 prisoners on a regular basis.

The opening of Davis House at Maghaberry in January 2020 allowed us to close three 'square houses' – Foyle, Erne and Lagan - which were repeatedly deemed unfit for purpose by inspectors. Of these three square houses, we have already had to re-open and bring back into use Foyle and Erne. If the population trend continues we will have to open the third 'square house', Lagan House, before the end of the summer. This is the only remaining residential accommodation available to NIPS across the prison estate.

The increase in the population at Maghaberry is placing acute pressure upon our accommodation, on our staff and staffing levels and upon our ability to deliver rehabilitative interventions to a population of this size – i.e. training and education, programme delivery, sentence and release planning. It is also placing an ongoing strain on support services, including those provided by general service grades (administrative staff). The prison kitchen, the trades department, prison visits and legal visits are only a few of the services under pressure.

We have also seen an increased female prisoner population at Hydebank Wood. Whilst the accommodation pressures from this population can be managed within the existing estate and staffing, it contributes to the complexity (in terms of the needs and risks of women in custody, many of whom have suffered trauma or are victims themselves) and will continue to require effective management if this trend continues.

Prison Population (continued)

NIPS have taken a number of remedial actions in response to the population increases experienced and anticipated:

- **Accommodation** – we have prepared all currently unused and suitable accommodation at both Magilligan and Maghaberry for use. We are also making appropriate use of cell-sharing;
- **Recruitment** – we are paying close attention to every aspect of our recruitment processes to ensure these are as effective as possible, providing supply to meet the demand;
- **Population Management** – on an ongoing basis the population is managed and balanced, as far as is possible, between Maghaberry and Magilligan. NIPS will continue to examine options for a conditional early release scheme, as a contingency measure;
- **Regime Provision** – NIPS is working on an ongoing basis to look at the least impactful ways to taper prison regimes and services if the population continues to exceed overall capacity for delivery; and
- **Prison Population Oversight Group** – during the latter part of 2023, the DoJ Permanent Secretary convened a Group with senior membership from across the wider Justice Family (PSNI, PBNI, PPS etc.) and healthcare for prisons partners with priorities to:
 - develop a shared understanding of the factors which contribute to an increasing prison population in Northern Ireland;
 - identify and oversee the implementation of measures where change would be appropriate and beneficial;
 - drive collaboration and cross-cutting initiatives focussed on delivering change; and
 - support shared communication across the justice family.

Rehabilitation, Resettlement and Reoffending

The Department of Justice's strategic approach to reducing reoffending acknowledges that, in order to deliver a whole-system approach, there is a need for enhanced collaboration between those working in the various aspects of the criminal justice system. To facilitate this the Department created a Reducing Reoffending Strategic Outcomes Group (RRSOG), made up of the key criminal justice agencies (NIPS, PBNI, YJA, PSNI). The group works in partnership to ensure that individuals are given every possible opportunity to address their offending behaviour and are supported to live lives free from further offending.

NIPS recognises that it is only by working with those who offend that we can make communities safer and reduce future harm to victims. However, the criminal justice system on its own cannot provide the knowledge, expertise or access to the services needed to truly reduce reoffending. That view was endorsed by the NIAO in its report on 'Reducing Adult Reoffending in Northern Ireland' published in June 2023.

There are a range of socio-economic factors which have been shown to have an impact on reoffending, including poverty and social deprivation, mental health issues, substance misuse, homelessness, and a lack of educational attainment and

Rehabilitation, Resettlement and Reoffending (continued)

employment opportunities. These factors contribute toward the reasons why people become involved in crime in the first place, and they are often exacerbated through contact with the criminal justice system, leading to a cycle of offending which causes significant harm to victims and communities. Addressing reoffending not only means tackling these issues, but also creating positive connections back into supportive families and communities so that they become enablers of change.

The aim of the NI Prison Service is to support and challenge those in our care to change and address their offending behaviour while in custody. This is undertaken through the delivery of the Prisoner Development Model, a person centred approach that focuses on nine resettlement pathways, based on socio-economic factors outlined above. However, delivery has become increasingly challenging due to the rising prison population and the resultant pressure on both staff resources and the capacity of our support services. The changing dynamics of the population, with large levels of remand and short-sentenced prisoners as well as an increasingly older and female demographic, also brings additional considerations with each cohorts requiring significantly different support needs.

A justice- wide Working Group on Remand is also overseeing the development of viable alternatives to remand for consideration by the judiciary, including the availability and use of management information. This includes scoping of a bail support pilot for women, and exploring the range of electronic monitoring technologies available; and how these might assist in reducing the prison population, while maintaining public safety.

Criminal Justice Inspection Northern Ireland (CJINI)

Inspection of Maghaberry Prison – published 16 June 2023

An unannounced inspection of Maghaberry Prison was completed between 20 September and 6 October 2022. This inspection was completed by Criminal Justice Inspection Northern Ireland (CJINI); His Majesty's Chief Inspector of Prisons (HMIP); the Regulation and Quality Improvement Authority (RQIA); and the Education and Training Inspectorate (ETI). The Report from this inspection was published on 16 June 2023 and contained 12 priority concerns. Whilst acknowledging the disappointing findings in this Report, NIPS noted that it had been completed following a period when the operation of prisons had been seriously impacted by the Covid-19 pandemic, and in the context of a rapidly rising population. As below, a further Independent Review of Progress of Maghaberry was also completed and reported during this financial year.

[Review into the Operation of Care and Supervision Units in the Northern Ireland Prison Service – A Follow-up Review of Recommendations – published 28 September 2023](#)

At the request of the then Minister of Justice, CJINI undertook a review of the operation of Care and Supervision Units within NIPS which was published on 6 February 2022. In 2023, CJINI completed a follow-up review to look at the progress made against the recommendations in the original report. Their follow-up report, which was published

Criminal Justice Inspection Northern Ireland (CJINI) (continued)

on 28 September 2023, highlighted the impressive progress that had been made in implementing the Care and Supervision Unit report recommendations.

CJINI found that the three strategic and eight operational recommendations had either been fully or partially achieved. The three remaining operational recommendations were assessed as not achieved. However, Inspectors found evidence that work was ongoing to progress one of these.

The role of Care and Supervision Units (CSU) is varied. People in prison may be relocated to the CSU in order to maintain good order and discipline within the prison, to ensure the safety of others or in the interests of a person in prison. A CSU Operational Framework was published on 02 December 2022, which outlines NIPS arranges for people who are held within our CSUs. Statistics provided by NIPS show that the majority of people who are relocated to the CSU remain there for less than 3 days. Robust monitoring arrangements, supported by an innovative IT solution enable managers to effectively manage people, maximise time out of cell and activity during any stay in the CSU.

While the proportion of residents recalled to custody was higher than the average recall rate, this was not unexpected given the risk and needs profile of residents referred to this service. Effective systems were in place to monitor the behaviour of residents and there was evidence of alternatives to recall appropriately being considered and implemented to sustain people living in the community. There was low level of serious further offending involving approved premises' residents.

CJINI made one strategic and three operational recommendations for improvement in this review to help enable approved premises develop their services and strengthen the partnerships between approved premises and the criminal justice system. An action plan has been developed to address these recommendations.

Independent Reviews of Progress – published 8 February 2024

Reports on Independent Reviews of Progress (IRPs) at Maghaberry Prison and Magilligan Prison were published on 8 February 2024. IRPs take place at the discretion of the Chief Inspectors when a full inspection suggests the prison would benefit from additional scrutiny and focus on a limited number of the concerns raised at the inspection.

The Reviews of Maghaberry and Magilligan both took place simultaneously between 31 October and 2 November 2023. Progress was assessed by all four inspection bodies involved in the original full prison inspections – CJINI, HMIP, RQIA and ETI.

IRP – Maghaberry Prison

At this IRP visit, CJINI followed up on the five priority concerns and seven key concerns from their most recent full inspection of Maghaberry in October 2022.

Criminal Justice Inspection Northern Ireland (CJINI) (continued)

The assessment in this Report is that there was:

- reasonable progress against nine concerns,
- insufficient progress against two concerns; and
- no meaningful progress against one concern.

The inspectors also identified four examples of notable positive practice.

In their joint Foreword to the Report the CJINI and HMIP Chief Inspectors drew particular attention to a need to improve adult safeguarding arrangements and concerns about the abuse of tradeable medication (following the introduction of body scanners, which has successfully reduced trafficking). Inspectors noted improvements in access to education, skills and work to meet rehabilitation and resettlement needs. It is notable that the Foreword also reflected the impact that a rising population was having upon the effective operation of Prisoner Development Units given the need to redeploy NIPS staff.

The Inspectors encouraged NIPS to continue to address staff shortfalls through an effective recruitment strategy, and to focus on developing more effective working relationships with the South Eastern Health and Social Care Trust (SEHSCT).

IRP - Magilligan Prison

At this IRP visit, CJINI followed up on progress made against 14 (out of 30) of the recommendations from their most recent full inspection of Magilligan in May-June 2021.

The assessment in this Report is that there was:

- good progress against three areas;
- reasonable progress against four; and
- either insufficient or no meaningful progress made against seven areas.

In their joint Foreword to the Report the CJINI and HMIP Chief Inspectors reflected their concerns that more progress is required to address access to illicit substances at the prison and, in common with the Maghaberry Report, the need to improve communication between NIPS and SEHSCT. Whilst the Report commented positively about cleanliness, positive staff/prisoner interactions and the regime and education and activities being offered, it is also clear that more work is required to improve arrangements for prisoner communication, consultation and complaint handling.

Again, the Report reflected the challenges that population pressures and staff shortfalls place upon the prison, but reinforced the need for the senior leaders to vigorously engage with and address recommendations given the lack of progress in half of the areas assessed.

Criminal Justice Inspection Northern Ireland (CJINI) (continued)

The Governors of each establishment have lead responsibility for the development and implementation of actions in response to the findings of these reviews. PSMB provides oversight for the work of Governors to address inspection recommendations.

Continuous development

Prisons 25 by 25

Prisons 25 by 25 is our second, three-year strategic improvement programme, which identified 25 key areas to be progressed by 2025. The programme was launched in September 2022 and runs from April 2022 until March 2025, focusing on delivering rehabilitation through:

- **Our People** - we have a professional, skilled and supported workforce serving with competence, confidence and compassion;
- **Our Services** - working with others, we rehabilitate and support those in our care through a person centred approach;
- **Our Infrastructure** - we have a fit for purpose, secure estate which facilitates innovative delivery models;
- **Our Partnerships** - in partnership with others, we rehabilitate and prepare those in our care for life in the community; and
- **Our Contribution** - we make a difference as part of the community.

Underpinning the above pillars, we have set 25 key objectives or priority areas. The programme is ambitious in the context of the very challenging operating environment we find ourselves in and NIPS may have to tailor its action plans for year 3 of the programme accordingly.

Capital Estates Programme

Approval was obtained from the Department of Finance (DoF) on the Outline Business Case 1 (OBC1) for the New Female Facility in May 2021, the New Welcome and Visits Centre in Maghaberry Prison in June 2021 and Redevelopment of Magilligan Prison in May 2022.

Work is continuing to progress on the three major capital projects:

- New alternative delivery models for both the Redevelopment of Magilligan and the New Female Facility are in progress. Work has started on an OBC1 for the new Kitchen and Café at Magilligan and work will commence on an OBC1 for a New 60 Block at Magilligan.
- Work will commence on an OBC1 for three Independent Living Units (ILUs) for the New Female Facility.
- A Feasibility Report is currently being prepared on Achieving Net Zero Carbon and Reducing Embodied Carbon to enable designs to be produced for the Welcome and Visits Centre in Maghaberry.

Capital Estates Programme (continued)

The Minor Works rolling programme has continued through the year with approximately 110 minor works projects completed totalling over £14 million. Examples of work which have commenced over the past year include:

- Upgrade of existing closed accommodation at Maghaberry Prison to accommodate the increased prisoner population;
- Upgrade of several plant rooms and heating management systems at Maghaberry prison;
- Provision of additional capacity in the Mother & Baby Unit in Hydebank Secure College;
- Upgrade of mechanical and electrical infrastructure including boiler houses, plant rooms and lighting systems, all of which have resulted in significant reductions in energy usage and carbon emissions; and
- Upgrade of specialist security systems throughout the prison estate including CCTV, Alarm, Access Controls and Intercom Systems.

Procurement

The Central Procurement Unit (CPU) is a branch within NIPS, responsible for all non-construction procurement within NIPS. The CPU manages around 75 contracts with an average annual spend of £7.3m and total contract value of £35.3m. These consist of:

- All food contracts for kitchens for both staff and prisoners;
- Prisoner's tuckshop comprising of food-to-go, toiletries and fruit;
- Stores items; and
- Various non-goods and service requirements, for example Visitors' Centre provision.

Additionally, the Unit provides draft tender documentation and advice on the tendering process for end-users. The Unit is a principal member of the Public Sector Food Working Group, and is also the single point of contact for the Trader Support Scheme (TSS) within NIPS - this is now the only way goods can be brought in from GB.

Digitalisation

Significant progress has been made during the last year on a range of digitalisation projects, including:

- Book a Prison Visit online – new functionality has been developed alongside our shared service partners, NI Direct and Enterprise Digital Development, and our 3rd party supplier to enable inmates' families to book a prison visit online. This functionality went live on 3 January 2024 and there has been a good level of usage to the end of March, with over 10,000 visits booked online;
- The rollout of PRISM functionality on tablet technology has continued successfully during the 2023-24 year across the NIPS estate. This includes further enhancements to the Care and Supervision Units (CSU) application on handheld devices and the further use of the Supervised Prisoner at Risk

Digitalisation (continued)

application in Prisoner Escort and Court Custody Service (PECCS) in 9 Courts, enabling PECCS to supervise and assist vulnerable people in their care. We are also currently developing further use of the Health and Safety application for PECCS across 9 Courts which are planned to go live later in 2024. A Directory of Services application is also at an advanced stage of development and is planned to be live later in 2024;

- The Prisoner Portal system - a self-service portal for inmates to enable them to perform basic functions i.e. meal ordering and tuckshop. A Kiosk solution (10 x Kiosks) was implemented in Davis House at the end of 2023 and we are currently preparing the infrastructure to install Prisoner Portal into one further house before the end of May 2024; and
- Virtual visits capability, which was established in early April 2020 to assist the NIPS response to the pandemic by enabling visits to continue virtually due to Covid-19 restrictions, continues to operate successfully with over 50,000 booked virtual visit slots from 1 April 2023 to 31 March 2024. This functionality has been further extended over the past 12 months to accommodate additional houses due to the increasing prison population.

Health and Safety

NIPS Health and Safety staff are working to keep staff safe and NIPS operational while ensuring compliance with The Health and Safety at Work (Northern Ireland) Order 1978.

Examples of work undertaken include:

- The awarding of the contract for Cell Snatch Rescue Equipment (CSRE). This will enable equipment to be replaced, revalidated and recharged efficiently, as and when required;
- Development of bespoke accident investigation training for Senior Officers. A pilot training session was run in February 2024 which we plan to roll out through the Prison Service College during 2024-25;
- Facilitating visits by the Health and Safety Executive for Northern Ireland (HSENI) to observe the delivery of control and restraint (C&R) training and the operation of the body scanners. The HSENI were content that the controls NIPS have in place are fit for purpose; and
- Providing advice and support on the operational use of the body scanners, as well as managing the radiation monitoring programme, which includes the quarterly analysis of radiation dose data.

FORWARD LOOK

Moving into 2024-25, our focus will remain on continuous improvement against the backdrop of ongoing prison population pressures, the limitations of our prison estate and significant resource pressures.

As an operational organisation, we will continue to deliver our business in line with our four key objectives:

- maintaining the safety and wellbeing of our staff and the people in our care;
- improving health within the criminal justice system;
- improving outcomes for people in our care through enhancing opportunities to address individual needs; and
- modernising the NI Prison Service to transform the delivery of services to people in our care.

The third and final year of our Prisons 25 by 25 continuous improvement programme will be the vehicle for delivery against our strategic objectives. The programme is based upon five thematic areas of focus of our services; our infrastructure; our partnerships; and our contribution. This is an ambitious delivery programme and our ability to realise our vision and objectives is likely to be impacted by our budgetary pressures.

PERFORMANCE ANALYSIS**REVIEW OF PERFORMANCE 2023-24****Performance against Key Performance Targets**

The Department of Justice Business Plan for 2023-24 set out Key Performance Targets (KPTs) to measure NIPS performance. These were developed in line with the NIPS Continuous Improvement Programme, Prisons 25 by 25.

Despite the challenges faced by the organisation in respect of an increasing prison population, progress has been made in relation to the key performance areas listed in the tables below.

Key Performance Targets	Comment	Year-end Status
1. Address Harm and Vulnerability		
<p>To work in partnership to tackle domestic and sexual abuse by addressing the root causes; providing access to support; and holding individuals who are abusive to account.</p> <ul style="list-style-type: none"> Implementation of in-year action plans in support of the strategy for women and girls at risk of, or in contact with the justice system and continued work in partnership to support the development of a strategy to end violence against women and girls. 	<p>Development of the in-year plans was undertaken during Q1 in conjunction with our delivery partners. These were endorsed by members of the Women & Girls Strategy Delivery Group in October. Reporting and delivery against these plans commenced in Q3. A justice-wide Senior Sponsors' network – one of the recommendations made by CJINI in its report 'females in conflict with the law' is currently being established.</p> <p>A range of DoJ officials have been, and will continue to be, involved in the development of a new TEO led Ending Violence Against Women and Girls Strategy. Proposals for the Strategic Framework and foundational action plan are out for consultation through to early October 2024. DoJ will be involved in delivery against the strategy going forward.</p>	Achieved
<p>To work with partners to support improved health (including mental health) within the justice system to maintain the safety and wellbeing of people in our care.</p> <ul style="list-style-type: none"> The development and implementation of a refreshed 2-year action plan to deliver on the joint DoH/ DoJ <i>Improving Health within Justice Strategy</i>. 	<p>A workshop was held with key stakeholders in October 2023 in order to develop actions for the refreshed action plan. However, due to staffing pressures within the Department of Health, work on finalising the action plan has stalled.</p> <p>Officials will continue to engage with Health colleagues over the coming months in an effort to progress this work. In the meantime, the Department has continued to be represented on cross-departmental groups set up to implement various health strategies, which have an impact on those in the CJ Sector, including the DoH-led Mental Health and Substance Use strategies.</p> <p>Stocktake meetings have been held during 2023-24 with the Mental Health Champion and</p>	Not achieved

Key Performance Targets	Comment	Year-end Status
1. Address Harm and Vulnerability		
	the PSNI on health-related matters and officials have continued to engage on the Forensic Managed Care Network Advisory Board.	
2. Challenge Offending Behaviours and Support Rehabilitation		
<p>To improve the outcomes for those in contact with the justice system by enhancing opportunities to address the needs of individuals, helping them address the root cause of their offending behaviour and reduce the rate of offending.</p> <ul style="list-style-type: none"> • Delivery of actions agreed under year two of the Adult Restorative Justice Strategy Action Plan. • Development of a justice-wide approach to reduce the growing levels of remand within the Northern Ireland prison population. 	<p>The Restorative Justice Working Group (RJWG) met at intervals throughout the reporting year, with more regular group member engagements taking place to progress individual actions.</p> <p>Reducing Offending Directorate successfully identified and appointed a suitable candidate for the role of Interim Protocol Lead (IPL). The IPL took up post on 20 February 2024 and will be responsible for implementation of the revised 2023 Protocol and enhancing the use of restorative justice throughout the criminal justice system. The PSNI has been working with key partners, including the community based restorative justice organisations, to launch a pilot scheme on 8 April 2024, which will introduce restorative interventions as part of Community Resolution Notices (CRN). It is envisaged low-level hate crime will be added to the list of suitable crime types for a CRN. Reducing Offending Directorate is working with NIPS to develop a strategic approach to the use of restorative practice across the three prison establishments, guided by the NIPS Restorative Practice Framework and training standards developed by the IPL. A document reporting progress against the Strategy's actions was published in July 2023, as committed to in the Adult Restorative Justice Strategy.</p>	Achieved

Key Performance Targets	Comment	Year-end Status
2. Challenge Offending Behaviours and Support Rehabilitation		
	<p>Justice-wide engagement on issues relating to remand and the prison population has been undertaken via the Working Group on Remand (WGR) and the Prison Population Oversight Group (PPOG), the latter having been established in November 2023.</p> <p>The approach has included a range of initiatives:</p> <ul style="list-style-type: none"> • establishment of a Management Information Task and Finish Group which has conducted a review and reported on existing data, perceived gaps and made recommendations, which were endorsed by the WGR in June. • completion by PBNI of a fact-finding exercise on the female remand cohort to inform development of a bail support pilot; • development of a remand dashboard, which has been subject to monthly update and internal circulation (since September). • merging and analysis of datasets in respect of delay and remand, following which a report has been drafted and will be submitted to the WGR members for consideration during Q4; • commissioning by the PPOG of inputs from justice stakeholders on perceived opportunities to reduce the prison population, with inputs due during Q4; and • a bid has made for resources to support the development of a bail support pilot for females in conjunction with statutory and 3rd sector partners. 	Partially achieved
<p>To put in place arrangements for the care of children in a safe, secure, therapeutic, child-centred environment supported by a youth justice policy and legislative framework with a coherent approach to early intervention</p> <ul style="list-style-type: none"> • Implementation of the Strategic Framework for Youth Justice Action Plan, with a focus on those actions which are to be delivered in the medium-term (i.e. within 2-3 years of publication) 	<p>Work continued during 2023-24 in order to implement the medium-term actions in the Strategic Framework for Youth Justice (SFYJ) Action Plan. This work was overseen by the Implementation Group of which 3 meetings were held during the year.</p> <p>Key achievements include the finalisation of provisions concerning bail, remand and custody for children for inclusion in the Modernisation of Justice Bill to be introduced to the Assembly in June. Reports were published to update stakeholders on both the responses to the public consultation on increasing the minimum age of criminal responsibility, and on progress made in implementing the SFYJ. In addition, engagement carried out with justice-experienced children, young people and families, informed work in relation to improvements to the youth</p>	Achieved

Key Performance Targets	Comment	Year-end Status
2. Challenge Offending Behaviours and Support Rehabilitation		
<ul style="list-style-type: none"> Continue to develop a strategic approach to Earlier Stage Diversion by working with partners to create additional alternatives to children entering the formal justice system. Continue to work with the Department of Health and Department of Education to implement a Regional Care and Justice Campus Programme to better support the needs of vulnerable children including those in the justice system. 	<p>court and new community disposals for children. This work will be further progressed in 2024-25.</p>	
	<p>A new Earlier Stage Diversion scheme (which will supplement existing schemes) has been designed. PSNI, PPS and YJA have agreed to move to pilot.</p> <p>There has been delays in proceeding due to work required within PPS and PSNI to agree and implement changes to their IT and data management systems to support the pilot. The implementation of the proposed new Children's Early Diversion remains on hold awaiting developments to the PPS and PSNI IT and data management systems.</p> <p>PSNI continue to work on extending the criteria for Community Resolution Notices (CRNs), and YJA will explore developing an enhanced YJA referral scheme when this work has been completed.</p>	Partially achieved
	<p>Work to harmonise services between Woodlands Juvenile Justice Centre and Lakewood Regional Secure Care Centre has largely been completed and in light of this, Ministers have decided to step down the Programme in its current form. Ongoing delivery of harmonisation activity will be overseen by a Partnership Board, jointly chaired by the Director of Children's Services in the South-Eastern Health and Social Care Trust and the Chief Executive of the Youth Justice Agency.</p> <p>DoJ continues to work strategically with the DoH on addressing the support needs of vulnerable children and DoJ is represented on the Children's Social Care Services Strategic Reform Board, set up by DoH to address the findings from the Independent Review of Children's Social Care Services, undertaken by Professor Ray Jones on behalf of DoH and published on 21 June 2023.</p>	Achieved

Key Performance Targets	Comment	Year-end Status
3. Deliver an Effective Justice System		
<p>Enhance the delivery of services to support NIPS staff and people in our care and further support operational prison staff to meet the challenges of working in a custodial environment.</p>	<p>All year 2 actions have made progress with the majority either achieved or on track for delivery.</p> <p>Year 3 actions have been developed and are being finalised.</p>	Achieved
<p>Develop and deliver Year Two of the Prisons 25 by 25 Continuous Improvement Programme against the five pillars of Our People, Our Services, Our Infrastructure, Our partnerships and Our Contribution.</p> <p>Complete implementation of the outstanding recommendations from the review of support services to serving Prison Officers.</p>	<p>Any outstanding recommendations are dependent on other factors e.g. review of OHS services.</p> <p>The work to progress wellbeing and support services is now part of normal business and Prisons 25 by 25.</p> <p>This year has seen over 400 operational staff supported through Police Rehabilitation and Retraining Trust (PRRT) including bespoke resilience training and a new pilot for a wraparound wellness programme. This is being evaluated before a decision is taken on further roll out.</p>	Achieved
<p>To improve the effectiveness of operational delivery by NIPS/YJA and outcomes it achieves through the ongoing implementation of recommendations made by Criminal Justice Inspection Northern Ireland.</p> <ul style="list-style-type: none"> • Complete and evidence the implementation of recommendations made by CJINI in the Inspection of Woodlands Juvenile Justice Centre 2022 report. 	<p>YJA (Woodlands, JJC) have implemented all the recommendations arising from the CJINI Inspection of Woodlands which was published on 28 Sept 2022.</p>	Achieved

Financial Review

The net expenditure of the Agency for 2023-24 is compared to the previous two financial years in the table below:

	2023-24	2022-23	2021-22
	£000	£000	*Restated £000
Total operating income	(5,009)	(4,080)	(3,589)
Staff costs	88,472	76,926	75,905
Purchase of goods and services	37,719	34,574	29,893
Depreciation and impairment charges	15,445	12,630	13,916
Provision expense	4,081	3,376	1,481
Grants	2,038	1,897	2,202
Total operating expenditure	147,755	129,403	123,397
Net operating expenditure	142,746	125,323	119,808
Finance expense	2,797	1,625	1,115
Net expenditure for the year	145,543	126,948	120,923
Notional costs	3,111	3,032	3,350
Net expenditure for the year including notionals	148,654	129,980	124,273

** Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance*

Non-current assets

Non-Current Asset expenditure movements are detailed in Notes 8 and 9 to the financial statements. Capital expenditure in 2023-24 totalled £16.0m (2022-23: £15.7m). Further details are contained in the Performance Summary.

Financial position

The total net assets of the Agency at 31 March 2024 were £248.2m (2022-23: £240.3m).

Cash flow

As detailed in the Statement of Cash Flows, the Agency's Net Assembly draw down in 2023-24 was £140.5m (2022-23: £123.4m) and the net increase in Cash and cash equivalents in the year was £0.22m (2022-23: decrease £1.92m).

Financial risk

The Agency relies on the Department of Justice for funding and the risk to this funding is low. The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

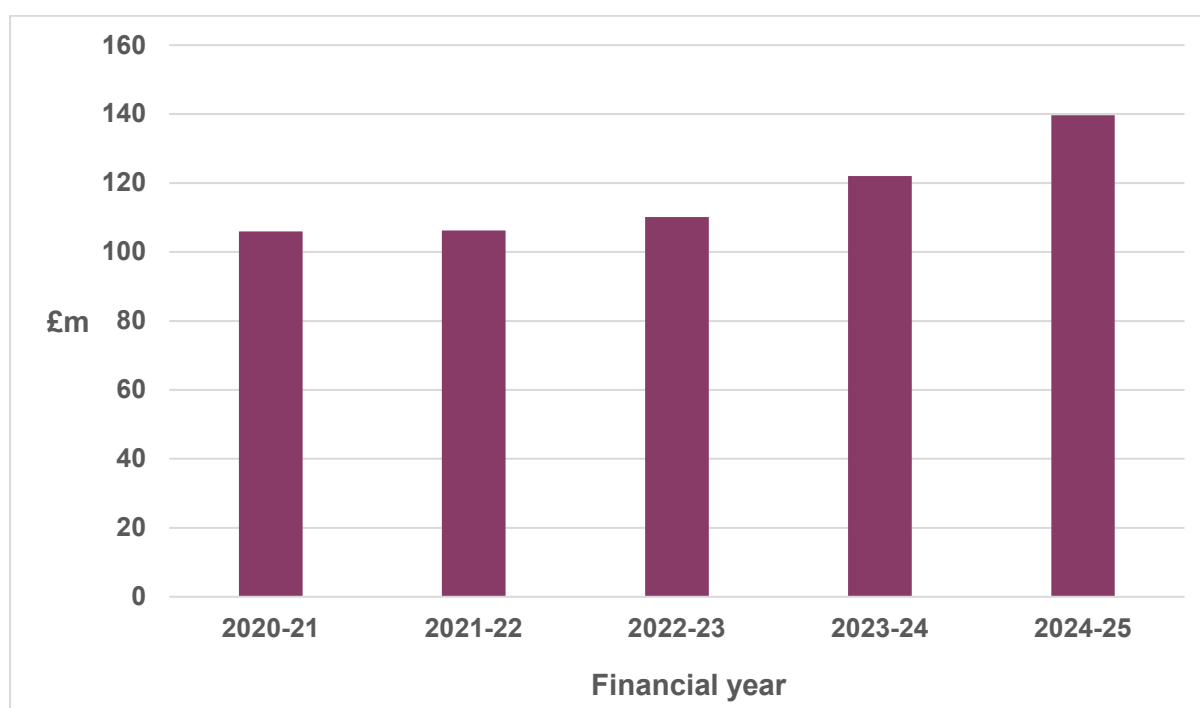
Cost per Prisoner Place

The Cost per Prisoner Place (CPPP), which excludes exceptional payments and the cost of the Prisoner Escorting and Court Custody Services, was £54,024 in 2023-24 (2022-23: £47,927).

Long-term expenditure trends

The chart below shows the movement in the Agency's opening baseline for non-ringfenced Resource Departmental Expenditure Limit (DEL) over the period 2020-21 to 2024-25. This budget pays for programme delivery and running costs excluding non-cash charges for depreciation and impairment of assets.

Chart 1: NIPS Non-Ringfenced Resource DEL opening baselines 2020-21 to 2024-25



Long-term expenditure trends (continued)

2023-24 financial year

In the absence of an Executive, on 27 April 2023, in a Written Ministerial Statement, the Secretary of State Northern Ireland set out final budget for 2023-24. The Written Ministerial Statement provided a non-ringfenced Resource DEL budget for the Department of £1,156.7m*.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- an adjusted opening baseline budget of £1,140.1m;
- funding from the NI Consolidated Fund of £1.5m (from 2022-23);
- budget cut for 2023-24 of £19.4m (c. 1.7%);
- additional security funding for the PSNI of £31.2m; and
- NI Protocol funding of £3.2m.

**Totals may not add due to roundings*

The opening budget for 2023-24 provided an allocation of £122.1m for the NI Prison Service, which reflected a 10.8% increase against the 2022-23 opening baseline position.

2024-25 financial year

On 25 April 2024, in a Written Ministerial Statement, the Finance Minister set out the 2024-25 budget for Northern Ireland departments which has been agreed by the Executive. The Written Ministerial Statement provided a non-ringfenced Resource DEL budget for the Department of £1,262.5m*.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- an adjusted opening baseline budget of £1,123.4m;
- an additional allocation of £95m;
- additional security funding for the PSNI of £31.2m; and
- funding for the Tackling Paramilitarism Programme of £12.8m (this is funding to be distributed across various departments and is not solely for the use of DoJ).

**Totals may not add due to roundings*

The Opening Budget for 2024-25 provides an allocation of £139.6m for the NI Prison Service, which reflects a 14.3% increase against the 2023-24 adjusted budget position of £122.1m.

Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is head of the Northern Ireland Audit Office (NIAO) and reports her findings to the Assembly. The C&AG and her staff are wholly independent of the Agency.

The notional audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these financial statements, was £45,000 (2022-23: £43,500).

The C&AG may also undertake other statutory activities that are not related to the audit of the Service's financial statements such as Value for Money (VFM) reports. In June 2023 the C&AG published a VFM report on Reducing Adult Reoffending. The C&AG published a VFM report on Injury on duty schemes for officers in PSNI and NIPS on 10 March 2020. The Department of Justice has established a Strategic Group to take forward this work, which includes representatives from NIPS, PSNI and Civil Service Pensions (DoF). Both sub-groups have made legislative changes as part of a phased approach. DoF has completed a consultation exercise on proposed changes to the NICS scheme, which includes NIPS, and is considering the responses.

Payment of suppliers

The Agency'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.

The Agency has achieved 92.3% (2022-23: 93.1%) of payments to suppliers within 10 working days and 97.2% (2022-23: 96.8%) of payments to suppliers within 30 days following receipt of a properly rendered invoice.

Human rights

NIPS staff have a statutory duty to respect, protect and fulfil people's human rights when delivering services.

The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to NIPS staff to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised.

The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within NIPS.

Human rights awareness sessions are delivered in partnership with the Ulster University as part of the accredited Induction Programme for new entrant operational staff, with 177 recruits receiving this training between 1 April 2023 and 31 March 2024

Anti-corruption and anti-bribery

NIPS is committed to the values of probity and accountability which foster a positive organisational culture. Prison staff, whether on or off duty, should always act in a way which supports and upholds the reputation of the profession.

Clear expectations are set out within the NIPS professional code of ethics and values, and any alleged wrongdoing will be rigorously investigated by highly experienced and trained investigators from the Professional Standards Unit. NIPS has a zero tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Serious allegations of wrongdoing e.g. bribery, corruption, theft etc. may also be referred to the PSNI for criminal investigation. NIPS will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft.

Energy and environmental management

NIPS is committed to ensuring the delivery of sustainable and cost efficient services. During 2023-24 NIPS has continued to manage our environmental commitments across its operations and through its supply chain in a number of ways:

Ref	Area	Comment
1	Sustainability Steering Group	NIPS operate a Sustainability Steering Group which offers decisions and direction on sustainable development initiatives across the service. NIPS also have representation on the DoJ Sustainability Steering Group.
2	Use of an Energy Monitoring & Targeting (M&T) System	NIPS has been at the forefront of energy monitoring and targeting across central Government since its installation in 2014. The M&T system is managed on a daily basis to provide a best practice approach to the ongoing oversight and delivery of energy management.
3	Building Management System (BMS)	BMS systems operate across all our sites to improve the control of heating and reduce energy consumption and CO ² emissions. A new BMS was installed at Magilligan in March 2022 which has contributed to an annual reduction in fossil fuel consumption at the site of 21% compared against the previous year. Proposals are being developed to progress the upgrade of BEMS at Maghaberry.
4	LED lighting programme	The roll-out of replacement LED lighting has continued during the year across the prison estate. Upgrades has been delivered to both internal and external lighting as well within cells.

Ref	Area	Comment
5	Boiler house and plant room upgrade programme	During the last 12 months NIPS has refurbished a further 3 boiler houses and an additional plant room. These have been part of our annual upgrade programme to strengthen the resilience of heating and hot water infrastructure and reduce energy consumption across the estate. Over the last seven years, 41 boiler houses and plant rooms have now been refurbished.
6	Incorporation of Social Value measures within constructions contracts	The use of the new Social Value measures is now being applied whenever we tender new construction contracts. The use of the previous Buy Social clauses is already adopted within our existing construction contracts and is used to create skilled training and employment opportunities.
7	Establishment of recycling centres on each site	Recycling activities have continued across all sites creating inmate activity and helping reduce quantities of general waste. Activities include stripping precious metals from old laptops and assisting other public sector partners by helping to collect and separate recyclable materials from used Covid test packs.
8	Reduce waste sent to landfill	Food waste is segregated and collected separately from each site. This reduces the volume of waste sent to landfill. Following collection the food waste is put through an anaerobic digester to generate heat/electricity.
9	Incorporation of BREEAM environmental standard for all new build projects	All major capital works projects continue to include BREEAM assessments to improve the environmental performance of future buildings.
10	Biodiversity	Biodiversity Action Plans have been produced for each prison site. NIPS continues to work with the NI Environment Agency, RSPB, Woodland Trust and conservation specialists to protect flora and fauna across the prison estate.
11	Solar Farm	A renewable energy project has been advanced at Hydebank to provide a solar farm. This is planned to be operational and producing electricity by Summer 2024.

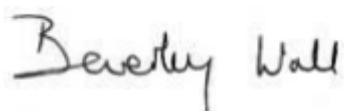
Energy and environmental management (continued)

The energy management strategy for Northern Ireland seeks to lower net energy consumption by 30% across central Government by 2030 (from a 2016-17 baseline).

By 31 March 2024 the Northern Ireland Prison Service had achieved the following energy and environmental reductions:

Energy and Environmental Metric	Reductions achieved to date as we seek to lower consumption by 30% by 2030 (from a 2016-17 baseline). Based on site footprint m²
Fossil fuels	(22% reduction)
Electricity	(8% reduction)
Water	13% increase
CO ² emissions	(44% reduction)
Waste collections	9% increase
Note: During the 2023-24 reporting period the number of individuals within Prison was 27.4% higher than in the baseline year 2016-17 and 11.3% higher than in the previous 12 month period (2022-23).	

The publication of the Climate Change Act (NI) 2022 means there are new and evolving policy measures currently in development with a target of net zero emissions by 2050. Moving forward NIPS will continue, as much as possible, to progress its work on delivering effective Climate Change Action Plans.

PERFORMANCE REPORT


Beverley Wall
Accounting Officer
26 June 2024

ACCOUNTABILITY REPORT

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

i - Corporate Governance Report

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

The Corporate Governance Report includes:

- Directors' Report;
- Non-Executive Members' Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

ii - Remuneration and Staff Report

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

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

iii - Assembly Accountability and Audit Report

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

- Other Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Management Board

NIPS is headed by the Director General who is supported by a Management Board consisting of two Executive Directors, two Non-Executive Members and the Head of Strategy and Governance.

The Service's Management Board is responsible for the strategic and business management of the Agency's operations.

At 31 March 2024, the Management Board was as follows:

- Beverley Wall - Director General;
- David Kennedy - Director of Prisons;
- Steven McCourt - Acting Director of Rehabilitation;
- Brendan Giffen - Head of Strategy and Governance;
- Claire Keatinge - Non-Executive Member; and
- Sarah Wakfer - Non-Executive Member.

Appointments to the Management Board (except for the Non-Executive Members) are made in accordance with the Civil Service Commission's general regulations. Details of the salary and benefits of the Management Board Members are disclosed in the Remuneration Report.

Register of interests

Declaring conflicts of interest is a standing agenda item at all meetings of the NIPS Management Board and the NIPS Audit and Risk Committee; no interests declared were deemed to conflict with Agency business. In addition, an annual exercise is commissioned from all senior management, including Non-Executive Board Members, reminding them of their responsibilities in regard to declaring interests and requesting them to update their declaration of interests. A register of interests for NIPS Board members is available on the Department's website at [NIPS Board Register of Interests](#). No significant interests are currently held by Board members that may conflict with their management responsibilities.

Reportable loss of data

There were no reportable losses of data during 2023-24.

Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment for staff after they leave the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the NICS Standards of Conduct Policy. During 2023-24 there were 112 staff exits from the Civil Service within NIPS, with no applications from Senior Civil Servants.

Complaints procedure

When appropriate, the Service follows Departmental procedures in respect of complaints made by members of the general public. During 2023-24 eight complaints were raised through Departmental procedures.

Complaints made by prisoners and their families are initially dealt with internally but, if required, may be escalated to the Prisoner Ombudsman. There were no complaints which did not fall into one of these categories.

Raising a Concern

The Department's Raising a Concern policy, which includes the Northern Ireland Prison Service (NIPS), is designed to reassure staff that it is safe and acceptable to speak up should they have a concern about malpractice.

The procedures provide arrangements in order that concerns can be addressed at an early stage and in a fair and proper way.

If an individual has a concern about malpractice, they may raise it with their line manager. If you are a civil servant and believe that you are being required to act in a way which conflicts with the core values and standards set out in the Civil Service Code of Ethics, or you have become aware of the actions of others which you believe conflict with the Code, you should raise the matter with the Department's Nominated Officer: David Lennox, Deputy Director, Corporate Engagement and Communications Division.

Matters may also be raised with the appropriate regulator or assurance body - such as the Northern Ireland Audit Office, Criminal Justice Inspection Northern Ireland or the Health and Safety Executive of Northern Ireland.

NIPS maintain a Raising a Concern database and has introduced oversight assurance at the Audit and Risk Committee

NON-EXECUTIVE MEMBERS' REPORT

During 2023-24 the Northern Ireland Prison Service has been focussed on efficient and effective delivery of its services, on delivery of its continuous improvement plan Prisons 25 by 25, and on good governance, all in the context of increasing budgetary pressures and recovery from the Covid pandemic. The focus of NIPS is on its mission of making Northern Ireland a safer place by reducing reoffending.

Appointed through the Department of Justice, NIPS has two Non-Executive Members (NEMs). The NEMs for the reporting period were:

- Claire Keatinge; and
- Sarah Wakfer.

The NEMs are members of the Prison Service Management Board (PSMB) and the NIPS Audit and Risk Committee (ARC). NIPS also has an Independent Committee Member, appointed by the Permanent Secretary, who provides additional financial expertise, and is a member of the ARC only. The Independent Committee Member was:

- Colm O'Hagan (to July 2023)
- Helen Trimble (from August 2023)

Prison Service Management Board (PSMB)

Throughout the year, NEMs have provided independent and external support and challenge to the work of the PSMB. The NEMs have contributed positively to the good governance of NIPS by offering independent, constructive support and challenge across all areas of PSMB business. NEMs have supported the scrutiny of all aspects of NIPS strategy, policy and service delivery for effectiveness and efficiency.

NEM's welcomed the progress of Prisons 25 by 25, the challenging next step in NIPS improvement journey, which seeks to deliver 25 improved outcomes across 5 key Themes by 2025. Updates received at PSMB on the Prisons 25 by 25 Action Plan showed that significant progress is being made despite the very substantial challenges facing the Service throughout the year.

The work of NIPS continues to be challenging, in particular the substantial budget pressures coupled with the consistent increase in the prison population.

NEMs welcomed scrutiny of NIPS services and activity from a number of external sources. These external agencies' inspection and scrutiny add significantly to our ability to understand the operation of prisons and the experience of staff and of people in our care.

Audit and Risk Committee (ARC)

ARC is appointed by the Board and its members are two Non-Executive Members and an Independent Board Member. Claire Keatinge and Sarah Wakfer remain as a Non-Executive Members. Colm O'Hagan resigned as the Independent Board Member in July 2023 and Helen Trimble was appointed as his replacement in August 2023. The Committee is assisted by attendees from relevant NIPS business areas as required.

The primary function of the ARC is to test and challenge the assurances which the Board and Accounting Officer have identified as meeting their assurance needs. ARC advises on the way these assurances are developed, and on the management priorities and approaches. The ARC is advisory and has no executive powers.

During this reporting period, the ARC was chaired by Sarah Wakfer. The ARC has carried out its work in line with its terms of reference, including having a focus on:

- The Internal Audit strategy and schedule for the forthcoming year;
- Reviewing the overall assurance framework and considering assurances provided in year;
- Considering findings from the Northern Ireland Audit Office's 'Report to Those Charged with Governance';
- The External Audit strategy and schedule for the coming year;
- A review of previous year's recommendations made by Internal and External Audit, and progress on actions taken; and
- Scrutiny of risk management processes.

ARC has provided clear and effective scrutiny, challenge and support to NIPS throughout 2023-24.

The NEMs and Independent Committee member of ARC would like to thank the Director General of NIPS, NIPS staff, Internal Audit and the Northern Ireland Audit Office for their cooperative and efficient support for their roles and work throughout the year.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed the NIPS 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 NIPS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department of Justice has designated the Director General as Accounting Officer of NIPS.

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 NIPS' assets, are set out in the Accounting Officer's Memorandum, issued by DoF and published in Managing Public Money Northern Ireland.

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

GOVERNANCE STATEMENT

1. Scope of responsibility

As the designated Accounting Officer for the Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

I am accountable for the effective, efficient and economic use of resources provided to the Agency; for the regularity and propriety of its expenditure; and for ensuring that the requirements of MPMNI are met.

In addition to my role as Accounting Officer and Director General for NIPS, I hold the role of Director, Reducing Offending. Reducing Offending Directorate is one of the four Directorates within the Department of Justice, and has a sponsorship role for both NIPS and the Youth Justice Agency.

I am a member of the Department's Board, held to account by the Departmental Accounting Officer (Chair of the Departmental Board), which takes the form of regular reports to the Department, as well as regular bi-lateral discussions with the Departmental Accounting Officer.

2. Purpose of the governance framework

MPMNI summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to supplement the accounts, providing a sense of how successfully it has coped with the challenge it faces.

The Agency's governance framework consists of the Board operating framework, the risk management framework, financial management systems, and supporting policies and procedures.

The governance framework delivers the systems and processes as well as the culture and values by which the Agency is directed and managed. It sets out how the Agency monitors the achievement of its strategic objectives and considers whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

There is also a risk management system in place which is designed to identify the Agency's risk appetite and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised, their potential impact and to manage them effectively. The system of internal control has been in place in the Agency throughout the year ended 31 March 2024 and up to the date of approval of the accounts.

3. Governance framework

The governance framework supports me in my role as Accounting Officer. The framework provides detail on NIPS approach to ensure the proper and effective governance and management of its affairs, outlining NIPS governance and accountability arrangements, both external and internal.

NIPS complied with the Corporate Governance Code during 2023-24. A copy of the framework can be accessed on NIPS website under Publications/Corporate Documents.

The key organisational structures which support the delivery of effective governance are the:

- Prison Service Management Board (PSMB);
- Audit and Risk Committee (ARC);
- Operational Management Board; and
- Finance Committee.

NIPS regularly reviews its framework and is satisfied it has a robust framework that is compliant with relevant guidance issued by DoF.

There are two mechanisms in place to monitor the potential conflicts of interest of NIPS Board Members:

- Note 21 to the Accounts details Related Party Transactions; and
- Board Members are asked to declare any potential conflicts of interest to items on the agenda at the start of each PSMB and ARC meeting.

Two of the Board members have declared that they hold positions as Non-Executive Members in other public sector organisations but these are not considered to conflict with their management responsibilities in NIPS.

Prison Service Management Board (PSMB)

PSMB brings together the strategic and operational leadership of NIPS. The Board is chaired by the Director General and consists of two Non-Executive Members. It is the top management structure in NIPS and its main role is to provide advice to the Director General; lead on the development and implementation of policy and strategy; challenge decisions made by the Executive Forum; monitor NIPS performance and to provide overall assurance to the Director General on NIPS affairs.

The Board works to a scheduled Forward Work Programme with key items scheduled at each meeting and recurring issues scheduled on a quarterly basis. A feature of the Board is its focus on exception reporting and monthly 'progress and challenge' reports from Executive Directors, each of which highlights quickly and efficiently the key issues from the previous month, allowing the Board to focus their attention on the key issues and request further information on topics of concern.

The information received is considered to be of a high standard and allows the Board to be kept informed of any issues that it needs to be aware of to support decision making and drive improvement. The Board provides an effective challenge function for the senior team as it reviews performance, governance and risk with independent members providing challenge and guidance when required. PSMB met on eight occasions during 2023-24; attendance by members is shown in the table below.

Member	Attendance
Director General - Ronnie Armour*	3
Director General – Beverley Wall**	5
Director of Prisons - David Kennedy	8
Head of Strategy and Governance - Brendan Giffen	7
Acting Director of Rehabilitation - Steven McCourt	7
Non-Executive Member - Claire Keatinge	8
Non-Executive Member - Sarah Wakfer	8

* Transferred to another NICS Department July 2023

** Appointed Director General 31 July 2023

Among matters considered by the Board during 2023-24 were:

- Strategic and business planning;
- Prisoner Population
- Performance;
- Financial planning and management, with particular regard to budget pressures; and
- Human resource management, including staffing levels and sickness absence.

Audit and Risk Committee (ARC)

ARC is appointed by the Board and its members are two Non-Executive Members and an Independent Board Member. Claire Keatinge and Sarah Wakfer remain as a Non-Executive Members. Colm O'Hagan was the Independent Board Member until July 2023 when he resigned, with Helen Trimble taking on this role as the Independent Board member from August 2023. The Committee is assisted by attendees from relevant NIPS business areas as required.

The primary function of the Committee is to test and challenge the assurances which the Board and the Accounting Officer have identified as meeting their needs, the way in which these assurances are developed and the management priorities and approaches on which the assurances are premised.

In addition, ARC ensures that recommendations are implemented by reviewing the actions taken by management in response to the Northern Ireland Audit Office's 'Report to Those Charged with Governance'.

ARC met four times during 2023-24; attendance by members is shown in the table below.

Member	Attendance
Non-Executive Member - Claire Keatinge	4
Non-Executive Member - Sarah Wakfer	4
Independent Board Member - Colm O'Hagan - Official in Department of Finance*	1
Independent Board Member – Helen Trimble - Official in Department of Finance**	2

* Resigned as member of NIPS ARC July 2023

** Appointed Independent Board member August 2023

Key matters considered during 2023-24 included:

- Review of the Corporate Risk Register;
- In-depth review of recommendations arising from Internal Audit reports;
- Review of the draft Annual Report and Accounts; and
- Updates from Internal Audit and NIAO.

A review of ARC effectiveness is carried out on an annual basis through a short questionnaire to members.

Operational Management Board (OMB)

The OMB provides the governance mechanism to ensure that the operational responsibilities of NIPS are effectively delivered, and that implementation and delivery remains effectively aligned to the overarching corporate vision, priorities, values and behaviours.

OMB met on 11 occasions during 2023-24; attendance by members is shown in the table below.

Member	Attendance
Director of Prisons (Chair)	11
Governor, Maghaberry	10
Governor, Magilligan	10
Governor, Hydebank Wood	10
Head of Prisoner Escorting and Court Custody Services	10
Director of Rehabilitation	9
Head of Security Information Branch	9
Head of Licensing and Legislation and Public Protection	6
Head of Strategy and Governance	6
Head of Wellbeing & Healthcare	10
Head of Operational Support	10
Senior Legal Advisor	10
Head of Equality and Diversity (from November 2023)	4
Head of Records Management and Information Assurance (from May 2023)	7

Finance Committee

The Finance Committee is an Executive Committee chaired by the Director General and supported by the Department's Financial Services Division (FSD). Its purpose is to discuss and scrutinise key strategic finance plans and financial issues impacting on NIPS. Among the matters considered by the Committee during 2023-24 were:

- Review of in-year financial position;
- Challenge and quality assure business issues with financial consequences;
- Scrutinise strategic financial plans in the face of financial and operational difficulties and to test the robustness of those plans and proposals with shared service partners from FSD;
- Review and challenge capital proposals and priorities and agree adjustments as necessary within affordability constraints;
- Oversee progress on finance projects which are of significant strategic importance and which impact on NIPS ability to meet its targets; and
- The improvement of financial planning, monitoring and reporting within NIPS.

During 2023-24 the Finance Committee met 11 times. Members attended as follows:

Member	Attendance
Director General - Ronnie Armour*	2
Director General – Beverley Wall**	6
Director of Prisons - David Kennedy	8
Acting Director of Rehabilitation - Steven McCourt	8
Head of Strategy and Governance - Brendan Giffen	5

**Transferred to another NICS Department July 2023*

***Appointed Director General 31 July 2023*

4. Risk management and internal control

The management of risk is controlled by the Agency's Prison Service Management Board (PSMB) and Audit and Risk Committee. It is the responsibility of the PSMB to identify and control the risks faced by the Agency in order to minimise any potential issues. The Agency's Risk Register has been reviewed and reformatted to link with the Department's Corporate Risk Register. This has resulted in a uniform approach across the Department in how we present and manage risk. Risk management forms a central element of the NIPS internal control framework and is also embedded within the business planning process.

The NIPS Corporate Risk Register 2023-24 consisted of seven risks. PSMB has taken the approach of reviewing and addressing, in-depth, one risk per meeting and a review of risk 7: *Ability to deliver outcomes*, while providing continuous assessment to the risk register as a whole. Underpinning this, each Establishment and Branch had their own 2023-24 risk register, continually reviewed and formally updated quarterly. Risks are managed locally to a level appropriate to their authority and duties, with the most serious being escalated to PSMB. I am content that the methods in place to monitor risk have proved effective in identifying risks as they arise, quickly and efficiently.

A key element of the Agency's risk and control framework is a professionally led Internal Audit function that works to Government Internal Audit Standards. It reviews the overall arrangements for managing risk, provides assurance, and reports any matters of concern to the Audit and Risk Committee. Assurance is also obtained from the Northern Ireland Audit Office who present their report to the Audit and Risk Committee following the statutory audit of the Agency's Annual Report and Accounts.

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

- Criminal Justice Inspection Northern Ireland (CJINI) - an independent statutory Inspectorate with responsibility for inspecting all aspects of the Criminal Justice System in Northern Ireland, apart from the judiciary;
- Prisoner Ombudsman - investigates complaints from prisoners, deaths in NIPS custody and complaints from visitors to prisoners;
- His Majesty's Inspectorate of Prisons - independent scrutiny of the conditions for and treatment of prisoners and promoting the concept of 'healthy prisons' in which staff work effectively to support prisoners and detainees to reduce reoffending or achieve other agreed outcomes; and
- Independent Monitoring Board - independent members monitor the day to day life in prison and ensure that proper standards of care and decency are maintained.

5. Review of effectiveness of the governance framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of the governance framework. I have been advised throughout the year on the effectiveness of the system of internal control by PSMB and Audit and Risk Committee, and from reports by executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework. I have also ensured the effective management of financial resources by following financial management practices and guidance issued by DoJ/DoF.

My review of the effectiveness of the system of internal control has been informed by the reports produced by Internal Audit. During 2023-24 there was a total of five separate audits in the overall NIPS Internal Audit Plan. Provision was also made should the raising a concern policy be invoked throughout the year. The key areas reviewed included, NIPS Overtime, NIPS Travel and Subsistence, Information Assurance and Cyber Security and Prison Service Trust.

All internal audits from the 2023-24 plan had a satisfactory opinion with no Priority One recommendations. There have been two Priority Two recommendations and four Priority Three recommendations, which were accepted by management. The overall acceptance rate is 100% against the performance target of 90%.

The Internal Audit follow-up review on Central Dealings Unit concluded that management had implemented all of the recommendations. The assurance level was therefore raised to satisfactory.

Sufficient audit work has been completed to enable satisfactory assurance to be reported in the Head of Internal Audit's Annual Assurance Report and Opinion for 2023-24 as this is based on a cumulative assurance over the past three years.

6. Budget position

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the Northern Ireland Spring Supplementary Estimates 2023-24 which were agreed by the Assembly on 9 April 2024, provide the statutory authority for the Executive's final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2024-25 financial year.

7. Significant internal control issues

Effective governance arrangements and senior oversight are maintained to ensure appropriate and timely responses to such issues that arise. The following issue was noted for 2023-24:

Deaths in custody

During this year there were 5 deaths in custody. The cause of death is determined by the Coroner at inquest and no inquests have taken place related to these deaths. 3 deaths (2 Maghaberry, 1 Magilligan) are potentially natural causes; 1 death (Maghaberry) is potentially substance related and 1 death (Maghaberry) is potentially self-inflicted.

The Prisoner Ombudsman's Office was notified following each death in custody and their investigations into the circumstances are ongoing. The NIPS extends its sympathy to the families of those who have died.

8. Accounting Officer statement on assurance

NIPS 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 Internal Audit operating to Government Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering the Agency's systems over time.

The Head of Internal Audit provides me with an Annual Report and her professional opinion on the level of assurance that she can provide based on the work done. The Head of Internal Audit forms her professional opinion on the basis of the Internal Audit work completed over a three year period and she has provided overall satisfactory assurance.

NIPS has maintained a framework of control to ensure that there are sufficient control processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control.

I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support the Agency in delivering its statutory duties and to meet the aims and objectives set by the Minister, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in Managing Public Money Northern Ireland.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27 April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31 May 2023 in FD (DoF) 05/23. This was subsequently updated on 12 March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023-24 has been finalised and was paid in June 2024. The 2023-24 pay award for NICS industrial staff has also been finalised and was paid in May 2024.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme¹

Claire Keatinge was appointed as a Non-Executive Member on 1 November 2017 for a period of three years, renewed on 1 November 2020 for a further three years and extended on 1 November 2023 for a further year.

Sarah Wakfer was appointed as a Non-Executive Member on 1 July 2019 for a period of three years, and this was renewed on 1 July 2022 for a further three years.

The remuneration of the Non-Executive Members was determined by the Director General, taking account of guidance issued by The Executive Office on the appointment of independent Non-Executive Members.

¹ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Remuneration and pension entitlements

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

[Audited information]

Single total figure of remuneration 2023-24				
Board Member	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Beverley Wall Director General (from 31 July 2023)	65-70 (FYE 100-105)	-	(35)	30-35
Ronnie Armour Director General (until 30 June 2023)	25-30 (FYE 105-110)	-	25	50-55
David Kennedy Director of Prisons	95-100	-	18	115-120
Steven McCourt Acting Director of Rehabilitation	75-80	-	(21)	55-60
Brendan Giffen Head of Strategy and Governance	65-70	-	(3)	65-70
Claire Keatinge Non-Executive Member	5-10	1.7	-	5-10
Sarah Wakfer Non-Executive Member	5-10	0.2	-	5-10

FYE - Full Year Equivalent

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

Remuneration and pension entitlements (continued)*[Audited information]*

Single total figure of remuneration				
2022-23				
Board Member	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Ronnie Armour Director General	100-105	-	(46)	55-60
David Kennedy Director of Prisons	90-95	-	(69)	20-25
Paul Doran Director of Rehabilitation (until 30 September 2022)	35-40 (FYE 80-85)	-	(32)	0-5
Steven McCourt Acting Director of Rehabilitation	70-75	-	(28)	55-60
Brendan Giffen Head of Strategy and Governance	65-70	-	(6)	60-65
Claire Keatinge Non-Executive Member	5-10	2.0	-	5-10
Sarah Wakfer Non-Executive Member	5-10	0.2	-	5-10

FYE – Full Year Equivalent

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

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 gratia payments. This report is based on accrued payments made by the Northern Ireland Prison Service and thus recorded in these accounts.

The Northern Ireland Assembly was dissolved from 28 March 2022 with an election taking place on 5 May 2022. An Executive was not initially formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022.

Salary (continued)

The Executive was subsequently restored on 3 February 2024, on which date new Ministers were appointed. As such, the Department of Justice was under the direction and control of Minister for Justice, Naomi Long from this date. Her salary and allowances were paid by the Department and have not been included in these accounts.

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 benefits in kind shown above are in respect of travel and subsistence expenses incurred on Agency business. In line with revised guidance from HMRC for Non-Executive Members (NEMs) with effect from 1 April 2019, expenditure on benefits in kind has been grossed up for individual NEMs and PAYE/NIC rules applied in line with normal payroll procedures.

Fair pay disclosures**Pay ratios**

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

The banded remuneration of the highest-paid director in the Northern Ireland Prison Service in the financial year 2023-24 was £100,000 - £105,000 (2022-23: £100,000 - £105,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

[Audited information]

2023-24	25th percentile	Median	75th percentile
Total remuneration (£)	27,728	31,830	39,787
Pay ratio	3.7:1	3.2:1	2.6:1

2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	25,937	30,521	37,069
Pay ratio	4.0:1	3.4:1	2.8:1

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.

The values for the salary component of remuneration (excluding all other remuneration) for the 25th percentile, median and 75th percentile were £27,239, £31,703 and £35,363 respectively, (2022-23: £25,118, £25,532 and £29,624).

Pay ratios (continued)

In 2023-24, no employees (2022-23: None) received remuneration in excess of the highest paid Director.

Remuneration ranged from £21,000 to £102,500 (2022-23: £19,000 to £102,500).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Northern Ireland prison Service are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

[Audited information]

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances	5.8%	0.6%
Highest paid director's salary and allowances	(3.1%)	0.0%
Average employee performance pay and bonuses	(100.0%)	(68.4%) ¹

¹ The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021. Bonuses continued to be payable to operational staff until 2022-23.

No performance pay or bonuses were payable to the highest paid director in these years.

Pension entitlements

[Audited information]

Board Member	Accrued pension at pension age as at 31/3/24 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at *31/3/24 £000	CETV at 31/3/23** £000	Real increase in CETV £000
Beverley Wall Director General (from 31 July 2023)	40-45 plus lump sum 115-120	0 plus lump sum 0	973	966	(38)
Ronnie Armour Director General (until 30 June 2023)	55-60 plus lump sum 155-160	0-2.5 plus lump sum 0	1,329	1,282	11
David Kennedy Director of Prisons	55-60 plus lump sum 160-165	0-2.5 plus lump sum 0	1,390	1,268	6
Steven McCourt Acting Director of Rehabilitation	40-45 plus lump sum 115-120	0 plus lump sum 0	999	982	(31)
Brendan Giffen Head of Strategy and Governance	25-30 plus lump sum 65-70	0-2.5 plus lump sum 0	539	504	(12)

* Or date of leaving if earlier

** Or date of joining if later

Note: Any members affected by the [Public Service Pensions Remedy](#) may have been reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

No pension benefits are provided to the Non-Executive 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).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 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 (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

DoF has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

DoF is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the

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

Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

- a) Rolled back opening balance
- b) Rolled back closing balance
- c) CETV calculated by CSP on the rolled back basis
- d) No restatement of prior year figures where disclosed.

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) - Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

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

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

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.

Partnership Pension Account

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).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 to 31 March 2025 are as follows:

Annualised rate of pensionable earnings (Salary Bands)		Contribution rates - all members
From	To	
£0	£26,304.49	4.60%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

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

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) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7.% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>.

Real increase in CETV

This reflects the increase in CETV that is 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 (which therefore disregards the effect of any changes in factors).

Compensation for loss of office

There were no compensation benefits paid by the Agency to any senior staff members during the financial year (2022-23: £Nil).

STAFF REPORT

Staff costs

[Audited information]

			2023-24	2022-23
	Permanently employed staff	Others	Total	Total
	£000	£000	£000	£000
Wages and salaries	63,403	156	63,559	56,663
Social security costs	7,594	-	7,594	6,121
Other pension costs	17,634	-	17,634	14,236
Total costs	88,631	156	88,787	77,020

Of which:		2023-24	2022-23
	Note	Total	Total
		£000	£000
Admin staff costs	5	6,211	5,810
Programme staff costs	6	82,261	71,116
Total admin and programme staff costs	3	88,472	76,926
Capital projects		315	94
Total costs		88,787	77,020

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but NIPS is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the

Staff costs (continued)

NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2023-24, employers' contributions of £17,632,234 were payable to the NICS pension arrangements (2022-23: £14,248,774) at one of three rates in the range 28.7% to 34.25% of pensionable pay, based on salary bands.

Employees can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution. Employers' contributions of £2,223 (2022-23: £6,822) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2022-23: 8% to 14.75%) of pensionable pay.

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

Employer contributions of £75, 0.5% (2022-23: £226, 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.

17 persons (2022-23: 15 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £16,089 (2022-23: £34,203).

Average number of persons employed

[Audited information]

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

			2023-24	2022-23
	Permanently employed staff	Others	Total	Total
Operational staff	1,407	3	1,410	1,353
Administration staff	143	2	145	137
Staff engaged on capital projects	4	-	4	1
Total number of staff	1,554	5	1,559	1,491

Staff composition

The tables below provide a gender breakdown of all operational and non-operational staff:

At 31 March 2024	Female staff	Male staff	Total staff
Prison Service Management Board	3	3	6
Senior Civil Service	1	2	3
Staff	629	1,019	1,648

At 31 March 2023	*Female Staff	Male staff	Total staff
Prison Service Management Board	2	4	6
Senior Civil Service	-	3	3
Staff	604	950	1,554

The breakdown of Senior Civil Service staff by pay scale is as follows:

Pay Scale	Banding in 2023-24	2023-24 Number	2022-23 Number
Pay Scale 1	£75,464 to £84,674	2	2
Pay Scale 2	£96,722 to £108,118	1	1

Management of sickness absence

The NICS HR Handbook contains a section on Sickness Absence which provides a framework for the management of staff who are absent for work due to illness.

Long term sickness absence (absences of 20 consecutive working days or more) accounts for the majority of sickness absence in NIPS. All reasonable action is taken to support staff to achieve a return to work at the earliest possible time and to support their colleagues who are providing service delivery in their absence.

The Agency had an overall sickness absence rate of 24.8 days lost per employee in 2022-23 (2021-22: 25.3 days). Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2022-23” report at [Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](#). The NICS Sickness Absence Report for the 2023-24 financial year is due to be published by the end of June 2024 and Agency reports will be available shortly afterwards.

Sickness absence management has been and continues to be proactively managed by the NICS HR Business Partnering Team in collaboration with Governors. The various interventions in place to support staff through any difficulties they may experience are widely publicised throughout the Prison Establishments and fully utilised by staff with some positive results, although this remains a challenging issue.

Occupational support

NIPS has an established embedded HR function where dedicated NICS HR staff are situated on site across each of the prison establishments (Maghaberry, Hydebank and Magilligan) and Prison Service Headquarters. This arrangement is bespoke to NIPS and these HR staff provide dedicated HR Business Partnering services and advice to Prison Officers and other staff working within NIPS. NIPS staff also have access to the full range of health and wellbeing services available to NICS staff through NICS HR. These include Occupational Health Services, a Welfare Support Service, the Well Programme, an Employee Assistance Programme with a self-referral facility to confidential counselling through Inspire Workplace Services and a range of learning and development interventions. NIPS’ partnership with the Police Retraining and Rehabilitation Trust (PRRT) continues to evolve and operational staff can attend for a range of services through PRRT, including psychology and physio services; resilience training; and a Health and Wellness Programme developed specifically for prison staff.

Employee wellbeing

The Prisons WELL programme which launched in March 2019 continues to support staff wellbeing. The programme is delivered by the PrisonsWell team at NIPS Headquarters,

During 2023-24 we have continued to deliver the programme with a number of intranet and email updates promoting the importance of looking after your health and wellbeing alongside producing leaflets and guides to signpost staff to a range of support services which offer support on many issues including counselling, welfare services, addiction issues, and advice to carers. We are currently working in partnership with NICS Well to deliver health checks for staff across the service.

In March 2022 we launched our new PrisonsWell App with the aim of providing all staff with 24-hour access to wellbeing help and support. The app is regularly updated with information to help support staff with their mental health and wellbeing. Work has commenced to enhance communication with the addition of an area for staff to view any upcoming career development/promotion opportunities for operational grades.

NIPS collaboration in the provision of support services with PRRT continues for both serving and retired staff. In 2023 over 400 staff were trained and supported through PRRT, including preventative resilience training to teams such as the Care and Supervision Units, Governors and new recruits.

In October 2023 around 100 operational staff also attended a new health and wellness day at PRRT aimed at providing advice on a range of well issues such as resilience, diet, exercise and sleep patterns. The feedback from that has been very good and NIPS hopes to roll that out across the prisons.

STAFF POLICIES

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and in 2023 was accredited as a [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and understanding and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment process for in-work support commenced in 2023 and a new reasonable adjustment policy and supporting resources is anticipated to launch during 2024. The NICS Disability Working Group, which includes representatives from the disability sector and colleagues with lived experience is a key stakeholder in the reasonable adjustment policy review.

The NICS is committed to the employment of disabled people and offers work experience for disabled people through the [NICS Work Experience Scheme for Disabled People](#) and annual participation in International Job Shadow Day (IJSJ).

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Equality, diversity and inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

The Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network alongside the NICS corporate HR function, People and Organisational Development, develops and delivers an annual NICS Diversity Action Plan, which sets out priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS’ commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#).

As part of the NICS’ efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment

Equality, diversity and inclusion (continued)

activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the [Workforce Reviews](#).

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website - [Department of Justice](#).

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development. All new recruits, irrespective of grade, have been offered the opportunity to complete a certificate of competence qualification since January 2024.

Development and delivery of generic staff training is centralised in NICSHR¹. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme and highlights the importance of the development conversation between managers and staff, with a number of resources available within a talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing. The Prison Service College continues to provide business-specific learning and development interventions to our operational and administrative staff. The primary focus this year has been on the delivery of training to new recruits to the organisation, as well as meeting mandatory training requirements.

¹ NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

Staff information

Senior leaders regularly visit each prison as part of engagement with a cross-section of staff. The staff intranet continues to be available to all, including operational staff on the landings.

This is in addition to the normal day to day engagement between managers and staff. Formal Whitley structures facilitate communication between staff and their representatives including:

- local Whitley meetings in each Establishment chaired by the Governor;
- quarterly Headquarters meetings chaired by the Director of Prisons; and
- annual Whitley Council chaired by the Director General of NIPS.

There is also informal engagement with both trade unions and staff via a range of communication and engagement strategies, which facilitate staff engagement with senior management.

Employee Consultation and Trade Union Relationships

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

Employee Engagement

When launching the 2023 NICS People Survey in April 2023, the Head of the Civil Service issued a message that the frequency of the Survey was changing from yearly to every other year to allow for proper targeting of actions, and so a NICS People Survey is not due to take place in 2024.

The 2023 NICS People Survey is therefore the most recent survey and was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DoJ, 2,157 (2021: 2,323) permanent staff were invited to complete the survey, of which 1,030 (2021:1,075) participated, a response rate of 46.6% (2021: 46%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DoJ responses indicated an Employee Engagement Index of 54%, compared to the NICS average of 54%. The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

For NIPS, 314 permanent staff were invited to complete the survey, of which 88 participated, a response rate of 28%. The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. NIPS responses indicated an Employee Engagement Index of 55%, compared to the NICS and DoJ average of 54%.

Employee Engagement (continued)

NIPS subsequently worked with the Northern Ireland Statistics and Research Agency (NISRA) to develop a bespoke staff survey for all operational and administrative staff, which launched on 4 March 2024 and closed on 31 March 2024. The Wellbeing team visited all business areas to highlight the importance of the survey and to ensure everyone had the opportunity to have their say. The initial benchmark results indicate an overall response rate of 55%. The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. NIPS responses to the 2024 survey indicated an Employee Engagement Index of 32%.

Follow up engagement with our staff and trade union colleagues has commenced with a view to jointly developing our response to the detailed results, when available.

Staff turnover

The Agency Turnover percentage (the total number of people that have left the Agency including those who have moved within the NICS) for 2023-24 is 7.7%, and the General Turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 7.0%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

	2023-24	2022-23
Departmental Turnover Rate	7.7%	7.6%
General Turnover Rate	7.0%	7.3%

Expenditure on consultancy

NIPS incurred £Nil expenditure on consultancy during 2023-24 (2022-23: £Nil).

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2023-24 (2022-23: Nil).

Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

There were no exit packages requiring disclosure during 2023-24 (2022-23: Nil).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES**

[Audited information]

Losses

The total value of losses did not exceed £300,000 and therefore no disclosure is required.

Special payments

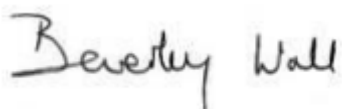
Included in the provision note (Note 16) are special payments. Amounts utilised during the year included 69 compensation payments (2022-23: 95) totalling £1,061,476 (2022-23: £1,252,356).

Remote contingent liabilities

[Audited information]

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Agency is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. The Agency has no such liabilities.

Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT

Beverley Wall
Accounting Officer
26 June 2024

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Prison Service for the year ended 31 March 2024 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Northern Ireland Prison Service financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Prison Service's affairs as at 31 March 2024 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements and regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Northern Ireland Prison Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Prison Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Prison Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Northern Ireland Prison Service is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

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

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

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**Opinion on other matters**

In my opinion based on the work undertaken in the course of the audit:

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Prison Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensure the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Prison Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Prison Service will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Prison Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Prison Act (Northern Ireland) 1953 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010;
- making enquires of management and those charged with governance on the Northern Ireland Prison Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Prison Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals and expenditure recognition;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

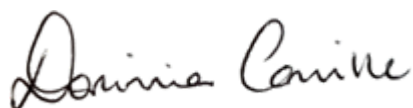
- Addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
107 University Street
BELFAST
BT7 IEU
Date: 1 July 2024

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2024

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.

		2023-24	2022-23
	Note	£000	£000
Revenue from contracts with customers	3	(4,966)	(4,045)
Other operating income	3	(43)	(35)
Total operating income		(5,009)	(4,080)
Staff costs	3	88,472	76,926
Purchase of goods and services	3	37,719	34,574
Depreciation and impairment charges	3	15,445	12,630
Provision expense	3	4,081	3,376
Grants	3	2,038	1,897
Total operating expenditure		147,755	129,403
Net operating expenditure		142,746	125,323
Finance expense	3	2,797	1,625
Net expenditure for the year		145,543	126,948
Audit notional costs		45	44
Other notional costs		3,066	2,988
Total notional costs		3,111	3,032
Net expenditure for the year including notionals		148,654	129,980
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- Net (gain) on revaluation of property, plant and equipment	8	(8,717)	(22,118)
- Net (gain) on revaluation of intangibles	9	(150)	(320)
- Actuarial (gain) on provisions	16	(4,055)	(37,485)
Comprehensive net expenditure for the year		135,732	70,057

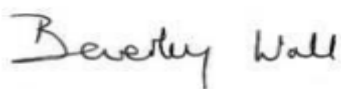
The notes on pages 74 to 106 form part of these Accounts.

Statement of Financial Position

As at 31 March 2024

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

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Property, plant and equipment	8	346,137	337,469
Intangible assets	9	3,828	3,249
Trade and other receivables	14	19	20
Financial assets	10	6	8
Total non-current assets		349,990	340,746
Current assets			
Inventories	12	1,186	1,229
Trade and other receivables	14	2,429	2,414
Financial assets	10	3	3
Cash and cash equivalents	13	246	244
Total current assets		3,864	3,890
Total assets		353,854	344,636
Current liabilities			
Trade and other payables	15	(32,490)	(29,341)
Provisions	16	(6,113)	(6,051)
Total current liabilities		(38,603)	(35,392)
Total assets less current liabilities		315,251	309,244
Non-current liabilities			
Provisions	16	(67,037)	(68,769)
Other payables	15	-	(141)
Total non-current liabilities		(67,037)	(68,910)
Total assets less total liabilities		248,214	240,334
Taxpayers' equity and other reserves:			
General Fund		136,457	132,169
Revaluation Reserve		111,757	108,165
Total equity		248,214	240,334



Beverley Wall
Accounting Officer

26 June 2024

The notes on pages 74 to 106 form part of these Accounts.

Statement of Cash Flows

For the year ended 31 March 2024

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

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities			
Net expenditure for the year		(148,654)	(129,980)
Adjustments for non-cash transactions	4	25,406	20,669
Decrease/(increase) in trade and other receivables	14	(14)	(316)
(Increase)/decrease in inventories	12	43	15
Increase in trade and other payables	15	3,227	5,205
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		1,612	(2,917)
Use of provisions	16	(4,486)	(4,653)
Net cash outflow from operating activities		(122,866)	(111,977)
Cash flows from investing activities			
Purchase of property, plant and equipment		(16,394)	(12,624)
Purchase of intangible assets		(907)	(523)
Proceeds of disposal of assets		6	9
Repayments from other bodies	10	2	3
Net cash outflow from investing activities		(17,293)	(13,135)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		140,501	123,383
Capital element of payments in respect of finance leases		(121)	(184)
Net financing		140,380	123,199
Net increase/(decrease) in cash and cash equivalents before adjustment for receipts and payments to Consolidated Fund		221	(1,913)
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		9	23
Payments of amounts due to the Consolidated Fund		(9)	(27)
Net increase/(decrease) in cash and cash equivalents after adjustments for receipts and payments to the Consolidated Fund		221	(1,917)
Cash and cash equivalents at the start of the period	13	(2,201)	(284)
Cash and cash equivalents at the end of the period	13	(1,980)	(2,201)

The notes on pages 74 to 106 form part of these Accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

This statement shows the movement in the year on the different reserves held by the Agency 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, to the extent that the total is not represented by other reserves and financing items.

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2022		93,960	90,016	183,976
Net Assembly Funding		123,383	-	123,383
Comprehensive net expenditure for the year		(92,495)	22,438	(70,057)
Auditor's remuneration	3	44	-	44
Other notionals	3	2,988	-	2,988
Transfers between reserves		4,289	(4,289)	-
Balance at 31 March 2023		132,169	108,165	240,334
Net Assembly Funding		140,501	-	140,501
Comprehensive net expenditure for the year		(144,599)	8,867	(135,732)
Auditor's remuneration	3	45	-	45
Other notionals	3	3,066	-	3,066
Transfers between reserves		5,275	(5,275)	-
Balance at 31 March 2024		136,457	111,757	248,214

The notes on pages 74 to 106 form part of these Accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of NIPS for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIPS are described below. They have been applied consistently in dealing with items considered material to the financial statements.

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 inventories and the revaluation of financial instruments which are recorded in the Statement of Financial Position at their fair value, being the carrying amount discounted to present value at the effective rate of interest of 2.05%.

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

1.2 Property, plant and equipment

Freehold Land and Buildings on the NIPS estate are capitalised where title is held by the Agency. Land and Buildings are subject to professional valuation at least once every five years and revalued using Land and Property Services indices in intervening years.

Property, plant and equipment, other than land and buildings, are carried at current cost using indices compiled by the Office for National Statistics. The standard threshold for capitalisation is £1,000. Lower thresholds apply to certain types of IT equipment.

Expenditure on office furniture and equipment is classified as capital expenditure if the purchase cost of an individual item is over the standard threshold of £1,000. An exception to this is if, as the result of a refurbishment or the establishment of a new office or project, a pool of new office furniture or equipment is purchased with individual items costing less than £1,000 but the total purchase costs are more than £1,000.

Properties regarded by NIPS as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties regarded by NIPS as non-operational are valued on the basis of open market value.

1.3 Intangible assets

Purchased computer software licences are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Intangible assets are stated at their market value. Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets concerned.

1.4 Depreciation and amortisation

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

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

Provision for depreciation and amortisation is made to write-off the cost of property, plant and equipment and intangible assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction or assets awaiting disposal are not depreciated. The overall expected useful lives of assets are as follows:

Asset category	Useful Life
Buildings	up to 80 years
Plant and Equipment	2 - 40 years
Furniture and Office Equipment	3 - 40 years
Information Technology and Software	1 - 15 years
Vehicles	5 - 20 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 the 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 revaluation and is transferred from the Revaluation Reserve to the General Fund.

1.6 Inventories

Inventories are valued on a First in First Out (FIFO) basis.

1.7 Financial instruments

Under IAS 39 and IFRS 7, NIPS is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 2.05%. NIPS does not hold any other financial instruments.

1.8 Pension costs

Employees of the Agency are covered by the provisions of the NICS pension arrangements.

The NICS pension arrangements are defined benefit schemes which are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the 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 respect of defined contribution schemes, the Agency recognises the contributions payable for the year.

1.9 Early retirement costs

NIPS is required to meet the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pension age. NIPS accounts in full for this cost when the applications for early retirement have been approved and the individuals have been notified.

1.10 Employee benefits

Under IAS 19 an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. NIPS has therefore recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in Current Liabilities and in Staff Costs for both administration and programme staff across the service.

1.11 Provision for liabilities and charges

NIPS provides for legal and constructive obligations, which are of uncertain timing or amount, at the Statement of Financial Position 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 material, the estimated cash flows are discounted.

1.12 Contingent liabilities

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

1.13 Leases

In 2022-23 the Agency adopted the new leasing standard, IFRS 16 for the first time, introducing a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

Scope and exclusions

At inception of a contract, the Agency assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, the Agency assesses whether:

- the contract involves the use of an identified asset;
- the Agency has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the Agency has the right to direct how and for what purpose the asset is used for.

IFRS 16 has also been applied to leases with nil or nominal consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition.

When making the above assessments the Agency excludes two types of leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and

1.13 Leases (continued)

- leases with a lease term of 12 months or less.

The Agency as a lessee

At the commencement of a lease the Agency recognises a right of use asset and a lease liability.

Right of use assets

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets.

The Agency applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (3.51% for leases recognised in 2023, 4.72% for those in 2024).

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Agency's estimates of the amount expected to be payable under a residual value guarantee, or if the Agency changes its assessment of whether it will exercise a purchase, extension or termination option.

The Agency as a lessor

Where the Agency acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised in the SoCNE on a straight-line basis.

1.14 Grants

Grants payable to third parties are charged to the Statement of Comprehensive Net Expenditure as the recipient carries out the activity that creates entitlement.

1.15 Value Added Tax (VAT)

The majority of the activities of NIPS are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment. Where output tax is charged or input VAT is recoverable the amounts are stated net of VAT.

1.16 Administration and Programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by DoF.

1.17 Notional costs

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

1.18 Insurance

Except where there is a statutory requirement to do so, NIPS does not take out general insurance. Instead expenditure in connection with uninsured risks is charged as incurred.

1.19 Third-party assets

NIPS holds, as custodian, certain assets belonging to third parties. These assets consist of cash held in respect of a Prisoners' Amenity Fund administered by each Prison Establishment and used for the welfare and benefit of all prisoners. Also included are cash amounts belonging to prisoners in the Prisoners' Personal Cash (PPC) accounts, held in the NIPS bank account. PPC balances are disclosed at Note 22 but not elsewhere in these accounts since neither NIPS nor the Government more generally has a direct beneficial interest in them.

1.20 Related party transactions

NIPS is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence NIPS or to be controlled or influenced by NIPS. Disclosure of these transactions allows readers to assess the extent to which the NIPS financial position and income and expenditure may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

1.21 Operating income

Operating income is income that relates directly to the operating activities of NIPS. This includes income from Trading Activities in relation to prisoners and staff catering and is shown gross on the face of the Statement of Comprehensive Net Expenditure and in Note 7 with related costs and expenses shown separately in Notes 5 and 6 of these financial statements.

1.22 Income

Financing

NIPS 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.

Revenue from contracts with customers

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

Sale of goods and services

Revenue from the sale of goods and services is recognised either:

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

Other operating income

Other operating income is income which relates directly to the operating activities of the Agency including:

Other income

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

1.23 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 NIPS 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 of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

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

(ii) Impairment of property, plant and equipment

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

(iii) Injury on duty awards life expectancy assumption

Benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to NIPS are payable to former employees for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and also on the estimated life expectancy of these pensioners. The injury awards were valued under International Accounting Standard (IAS) 19 Employee Benefits by Government Actuary's Department (GAD). IAS 19 requires the employer to value the expected injury awards for active members, who are currently uninjured but who may become injured in the future, and include the value in the Statement of Accounts.

(iv) Litigation provisions

The litigation provision relates to legal claims against NIPS by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provisions are based upon the assessment of the likely damages and legal costs payable, with reference to legal experts and in consideration of settlements in cases of a similar nature were it is probable that the claim will be successful. NIPS also carry out an objective exercise to compare estimates to actual settlements in current and previous years and will adjust the provisions in line with these findings on an annual basis.

Other than depreciation, provisions and employee benefits, no material accounting estimates or judgements were made by NIPS in preparing these accounts.

1.24 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2023-24 financial year

NIPS has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for accounting periods beginning on or after 1 April 2023 or later periods, but which NIPS has not adopted. NIPS considers that these are not relevant or material to its operations.

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

NIPS has considered those new Standards, interpretations and amendments to existing Standards which have been published but are not yet effective, nor adopted early for these Accounts. Other than as outlined below, NIPS considers that these are either not relevant or material to its operations.

Standard	IFRS 18 Presentation and Disclosure in Financial Statements
Effective date	January 2027
FReM application	Not before 2027-28
Description of revision	IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024, replacing IAS 1 Presentation of Financial Statements, and is effective for accounting periods beginning on or after 1 January 2027.
Comments	IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

1.26 Financial reporting - future developments

The Agency has considered the accounting initiatives identified by HM Treasury and Department of Finance covering potential changes and projects where standards, amendments or interpretations are in development. The Agency considers that these changes are either not relevant or material to its operations.

2. Statement of Operating Expenditure by Operating Segment

2023-24	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Gross expenditure	61,452	26,500	16,924	48,787	153,663
Income	(3,107)	(1,380)	(479)	(43)	(5,009)
Net expenditure	58,345	25,120	16,445	48,744	148,654

2022-23	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Gross expenditure	54,155	24,152	14,871	40,882	134,060
Income	(2,424)	(1,236)	(394)	(26)	(4,080)
Net expenditure	51,731	22,916	14,477	40,856	129,980

In line with the requirements of IFRS 8, NIPS has reported on Income, Gross and Net Expenditure by geographical segment as pertains to each operational Establishment and is consistent with the management approach and internal reporting structures existing within the Service.

The 'Others' segment reported above includes Headquarter Functions, Prisoner Escorting and Court Custody Service, Offenders Services, Central Stores, Establishment Training and Learning and Skills.

3. Summary of information for Statement of Comprehensive Net Expenditure

2023-24		Administration	Programme	Total
	Note	£000	£000	£000
Revenue from contracts with customers	7	-	(4,966)	(4,966)
Other operating income	7	-	(43)	(43)
Total operating income		-	(5,009)	(5,009)
Staff costs	5, 6	6,211	82,261	88,472
Purchase of goods and services	5, 6	3,267	34,452	37,719
Depreciation and impairment charges	6	-	15,445	15,445
Provision expense	6	-	4,081	4,081
Grants	6	-	2,038	2,038
Total operating expenditure		9,478	138,277	147,755
Net operating expenditure		9,478	133,268	142,746
Finance expense	6	-	2,797	2,797
Net expenditure for the year		9,478	136,065	145,543
Audit notional costs		45	-	45
Other notional costs		3,066	-	3,066
Total notional costs		3,111	-	3,111
Net expenditure for the year including notionals		12,589	136,065	148,654

3. Summary of information for Statement of Comprehensive Net Expenditure (continued)

2022-23		Administration	Programme	Total
	Note	£000	£000	£000
Revenue from contracts with customers	7	-	(4,045)	(4,045)
Other operating income	7	-	(35)	(35)
Total operating income		-	(4,080)	(4,080)
Staff costs	5, 6	5,810	71,116	76,926
Purchase of goods and services	5, 6	2,750	31,824	34,574
Depreciation and impairment charges	5, 6	-	12,630	12,630
Provision expense	6	-	3,376	3,376
Grants	6	-	1,897	1,897
Total operating expenditure		8,560	120,843	129,403
Net operating expenditure		8,560	116,763	125,323
Finance expense	5, 6	-	1,625	1,625
Net expenditure for the year		8,560	118,388	126,948
Audit notional costs		44	-	44
Other notional costs		2,988	-	2,988
Total notional costs		3,032	-	3,032
Net expenditure for the year including notionals		11,592	118,388	129,980

4. Non-cash costs

2023-24		Administration	Programme	Total
	Note	£000	£000	£000
Purchase of goods and services	6	-	(21)	(21)
Notional costs		3,111	-	3,111
Depreciation and impairment	5, 6	-	15,445	15,445
Provision expense	6	-	4,081	4,081
Finance expense	5, 6	-	2,790	2,790
Total		3,111	22,295	25,406

2022-23		Administration	Programme	Total
	Note	£000	£000	£000
Purchase of goods and services	5, 6	(1)	16	15
Notional costs		3,032	-	3,032
Depreciation and impairment	5, 6	-	12,630	12,630
Provision expense	6	-	3,376	3,376
Finance expense	5, 6	-	1,616	1,616
Total		3,031	17,638	20,669

5. Other administrative expenditure

		2023-24	2022-23
	Note	£000	£000
Staff costs*			
Wages and salaries		4,418	4,121
Social security costs		490	457
Other pension costs		1,303	1,232
		6,211	5,810
Purchase of goods and services			
Accommodation costs, maintenance and utilities		329	389
IT, communications and office services		1,515	1,251
Consumables, equipment and transport costs		3	3
Contracted out and managed services		646	497
Professional and consultancy costs		67	34
Rentals under operating leases		25	3
Staff related costs		680	565
Other costs		2	9
		3,267	2,751
Non-cash items:			
(Profit) on disposal of non-current assets	8, 9	-	(1)
		3,267	2,750
Total administrative expenditure		9,478	8,560

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

6. Programme expenditure

	Note	2023-24 £000	2022-23 £000
Staff costs*			
Wages and salaries		58,924	52,478
Social security costs		7,077	5,655
Other pension costs		16,260	12,983
		82,261	71,116
Purchase of goods and services			
Accommodation costs, maintenance and utilities		13,457	14,140
IT, communications and office services		564	442
Consumables, equipment and transport costs		1,263	853
Contracted out and managed services		103	107
Professional and consultancy costs		1,464	692
Prisoner costs		16,274	14,110
Rentals under operating leases		21	21
Staff related costs		1,328	1,111
Other costs		(1)	332
		34,473	31,808
Non-cash items:			
Loss on disposal of non-current assets	8, 9	29	16
Gain on lease modification		(50)	-
		(21)	16
		34,452	31,824
Depreciation and impairment charges			
Depreciation	8	15,122	12,841
Amortisation	9	536	506
Revaluation and impairment released to SoCNE	11	(213)	(717)
		15,445	12,630
Provisions expense			
Provisions: provided for in year	16	5,586	4,625
Provisions: written back in year	16	(1,505)	(1,249)
		4,081	3,376
Grants			
		2,038	1,897
Finance expense			
Interest payable and similar charges		7	9
Interest charges (non-cash)		-	-
Borrowing costs on provisions (non-cash)	16	2,790	1,616
		2,797	1,625
Total programme expenditure			
		141,074	122,468

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

7. Income

	2023-24 £000	2022-23 £000
Administration income	-	-
Programme income:		
<i>Revenue from contracts with customers</i>		
Sale of goods and services	4,966	4,045
<i>Other operating income</i>		
Other non-trading income	36	35
Grant income	7	-
	43	35
Total operating income	5,009	4,080

Income can be further analysed as follows:

2023-24	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Revenue from contracts with customers	3,103	1,343	477	43	4,966
Other operating income	4	37	2	-	43
Net income	3,107	1,380	479	43	5,009
2022-23	Maghaberry £000	Magilligan £000	Hydebank £000	Others £000	Total £000
Revenue from contracts with customers	2,421	1,205	393	26	4,045
Other operating income	3	31	1	-	35
Net income	2,424	1,236	394	26	4,080

8. Property, plant and equipment

2023-24

	Land £000	Buildings £000	Vehicles, Plant & Machinery £000	Information Technology £000	Assets Under Construct -ion £000	Total £000
Cost or valuation						
At 1 April 2023	4,345	325,537	16,735	3,307	24,618	374,542
Additions	-	(1)	559	86	14,465	15,109
Disposals	-	(511)	(1,937)	(165)	-	(2,613)
Transfers and reclassifications	-	18,403	16	(7)	(18,470)	(58)
Revaluation charged to SoCNE	-	245	(8)	(2)	-	235
Revaluations	217	9,405	214	(26)	-	9,810
At 31 March 2024	4,562	353,078	15,579	3,193	20,613	397,025
Depreciation						
At 1 April 2023	-	23,491	11,530	2,052	-	37,073
Charged in year	-	13,465	1,205	452	-	15,122
Disposals	-	(356)	(1,901)	(165)	-	(2,422)
Transfers and reclassifications	-	-	1	(1)	-	-
Revaluation charged to SoCNE	-	23	(1)	-	-	22
Revaluations	-	978	131	(14)	-	1,093
At 31 March 2024	-	37,599	10,965	2,324	-	50,888
Carrying amount at 31 March 2024	4,562	315,479	4,614	869	20,613	346,137
Carrying amount at 31 March 2023	4,345	302,046	5,205	1,255	24,618	337,469
Asset financing:						
Owned	4,562	315,479	4,614	869	20,613	346,137
Leased	-	-	-	-	-	-
Carrying amount at 31 March 2024	4,562	315,479	4,614	869	20,613	346,137

8. Property, plant and equipment (continued)

2022-23

	Land £000	Buildings £000	Vehicles, Plant & Machinery £000	Information Technology £000	Assets Under Construct -ion £000	Total £000
Cost or valuation						
At 1 April 2022	4,345	296,769	16,230	2,975	14,554	334,873
IRS 16 Leases opening adjustment	-	511	-	-	-	511
Additions	-	242	913	162	13,900	15,217
Disposals	-	-	(1,114)	(59)	-	(1,173)
Transfers and reclassifications	-	3,823	(26)	60	(3,836)	21
Revaluation charged to SoCNE	-	754	3	19	-	776
Revaluations	-	23,438	729	150	-	24,317
At 31 March 2023	4,345	325,537	16,735	3,307	24,618	374,542
Depreciation						
At 1 April 2022	-	10,501	11,121	1,501	-	23,123
Charged in year	-	11,202	1,155	484	-	12,841
Disposals	-	-	(1,091)	(59)	-	(1,150)
Transfers and reclassifications	-	9	(38)	29	-	-
Revaluation charged to SoCNE	-	47	2	11	-	60
Revaluations	-	1,732	381	86	-	2,199
At 31 March 2023	-	23,491	11,530	2,052	-	37,073
Carrying amount						
at 31 March 2023	4,345	302,046	5,205	1,255	24,618	337,469
Carrying amount						
at 31 March 2022	4,345	286,268	5,109	1,474	14,554	311,750
Asset financing:						
Owned	4,345	301,721	5,205	1,255	24,618	337,144
Leased	-	325	-	-	-	325
Carrying amount						
at 31 March 2023	4,345	302,046	5,205	1,255	24,618	337,469

Land and Property Services (LPS) carried out a full valuation of land and buildings at 1 April 2021, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and on a componentised basis. The next full valuation of land and buildings will be 1 April 2026. Indexation is applied between asset revaluations to update the asset register, taking into account the general market in property values

8. Property, plant and equipment (continued)

and building costs. The indices used for land were set at 5% and for buildings at 2.9% by LPS for 2023-24. Other property, plant and equipment were adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

9. Intangible assets

2023-24	Software and Licences £000	Assets Under Construction £000	Total £000
Cost or valuation			
At 1 April 2023	4,891	377	5,268
Additions	63	844	907
Disposals	(1,062)	-	(1,062)
Transfer and reclassifications	531	(473)	58
Revaluation charged to SoCNE	-	-	-
Revaluations	218	-	218
At 31 March 2024	4,641	748	5,389
Amortisation			
At 1 April 2023	2,019	-	2,019
Charged in year	536	-	536
Disposals	(1,062)	-	(1,062)
Transfer and reclassifications	-	-	-
Revaluation charged to SoCNE	-	-	-
Revaluations	68	-	68
At 31 March 2024	1,561	-	1,561
Carrying amount at 31 March 2024	3,080	748	3,828
Carrying amount at 31 March 2023	2,872	377	3,249
Asset financing:			
Owned	3,080	748	3,828
Carrying amount at 31 March 2024	3,080	748	3,828

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

9. Intangible assets (continued)

2022-23	Software and Licences £000	Assets Under Construction £000	Total £000
Cost or valuation			
At 1 April 2022	4,028	403	4,431
Additions	3	520	523
Disposals	(93)	-	(93)
Transfer and reclassifications	525	(546)	(21)
Revaluation charged to SoCNE	1	-	1
Revaluations	427	-	427
At 31 March 2023	4,891	377	5,268
Amortisation			
At 1 April 2022	1,499	-	1,499
Charged in year	506	-	506
Disposals	(93)	-	(93)
Transfer and reclassifications	-	-	-
Revaluation charged to SoCNE	-	-	-
Revaluations	107	-	107
At 31 March 2023	2,019	-	2,019
Carrying amount at 31 March 2023	2,872	377	3,249
Carrying amount at 31 March 2022	2,529	403	2,932
Asset financing:			
Owned	2,872	377	3,249
Carrying amount at 31 March 2023	2,872	377	3,249

10. Financial assets

Housing Loans Scheme	2023-24	2022-23
	£000	£000
Balance at 1 April	11	14
New Loans	-	-
Repayments	(2)	(3)
Revaluations	-	-
Balance at 31 March	9	11
Current Assets	3	3
Non-current Assets	6	8
Balance at 31 March	9	11

As the cash requirements of NIPS are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

Under IAS 39 and IFRS 7, NIPS is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 2.05% (2022-23: 1.9%). NIPS had 4 loans to officers at 31 March 2024 (5 at 31 March 2023) and does not hold any other financial assets. NIPS is therefore exposed to little credit, liquidity or market risk.

11. Impairments

	Note	2023-24	2022-23
		£000	£000
Charged directly to SoCNE			
Property, plant and equipment	8	(213)	(716)
Intangible assets	9	-	(1)
		(213)	(717)
Taken through Revaluation Reserve			
Property, plant and equipment	8	(8,717)	(22,118)
Intangible assets	9	(150)	(320)
		(8,867)	(22,438)
Total charge for the year		(9,080)	(23,155)

12. Inventories

	2023-24	2022-23
	£000	£000
Consumables and equipment	886	955
Fuel stores	300	274
	1,186	1,229

13. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	(2,201)	(284)
Net change in cash and cash equivalent balances	221	(1,917)
Balance at 31 March	(1,980)	(2,201)

The following balances at 31 March were held at :

NI banking pool	(2,018)	(2,250)
Cash in hand	38	49
Balance at 31 March	(1,980)	(2,201)

Balances for Cash and cash equivalents are disclosed in the Statement of Financial Position as follows:

	2023-24	2022-23
Note	£000	£000
Current assets	246	244
Current liabilities	15 (2,226)	(2,445)
Total	(1,980)	(2,201)

14. Trade receivables, financial and other assets

	2023-24	2022-23
	£000	£000
Amounts falling due within one year		
VAT	1,125	1,201
Trade receivables	27	15
Other receivables	6	6
Prepayments and accrued income	1,271	1,192
	2,429	2,414
Amounts falling due after one year		
Other receivables	19	20
	19	20
Total	2,448	2,434

15. Trade payables, financial and other liabilities

	2023-24	2022-23
	£000	£000
Amounts falling due within one year		
Bank overdraft	2,226	2,445
Trade payables	31	25
Other payables	990	968
Accruals and deferred income	29,243	25,717
Current part of lease liabilities	-	186
	32,490	29,341
Amounts falling due after one year		
Leases	-	141
	-	141
Total	32,490	29,482

16. Provisions for liabilities and charges**2023-24**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
Balance at 1 April 2023	67,410	6,659	751	74,820
Provided in the year	1,162	4,422	2	5,586
Provisions not required written back	-	(1,505)	-	(1,505)
Provisions utilised in the year	(3,062)	(1,357)	(67)	(4,486)
Provisions borrowing costs	2,760	-	30	2,790
Actuarial (gain)	(4,020)	-	(35)	(4,055)
At 31 March 2024	64,250	8,219	681	73,150

Analysis of expected timing of discounted flows***2023-24**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
No later than one year	2,950	3,096	67	6,113
Later than one year and not more than five years	10,790	4,342	270	15,402
Later than five years	50,510	781	344	51,635
At 31 March 2024	64,250	8,219	681	73,150

* *The only cash flows shown as discounted in the table above relate to the injury awards as NIPS do not discount other provisions on the basis that the time value of money is considered immaterial and therefore these cash flows are disclosed as undiscounted.*

16. Provisions for liabilities and charges (continued)**2022-23**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
Balance at 1 April 2022	103,930	6,976	1,060	111,966
Provided in the year	2,018	2,607	-	4,625
Provisions not required written back	-	(1,249)	-	(1,249)
Provisions utilised in the year	(2,918)	(1,675)	(60)	(4,653)
Provisions borrowing costs	1,600	-	16	1,616
Actuarial (gain)	(37,220)	-	(265)	(37,485)
At 31 March 2023	67,410	6,659	751	74,820

Analysis of expected timing of discounted flows***2022-23**

	Injury awards £000	Litigation claims £000	Early departure costs £000	Total £000
No later than one year	2,460	3,532	59	6,051
Later than one year and not more than five years	10,290	3,127	240	13,657
Later than five years	54,660	-	452	55,112
At 31 March 2023	67,410	6,659	751	74,820

* The only cash flows shown as discounted in the table above relate to the injury awards as NIPS do not discount other provisions on the basis that the time value of money is considered immaterial and therefore these cash flows are disclosed as undiscounted.

The provisions for liabilities and charges represent the best estimate of the amount payable at the date of the Statement of Financial Position.

16. Provisions for liabilities and charges (continued)

16.1 Injury awards - £64.250m (2022-23: 67.410m)

Benefits payable under the Civil Service Injury Benefit Scheme relating to NIPS are charged to NIPS by Civil Service Pensions on a monthly basis. The allowance is payable to the former employee for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards, and also on estimated life expectancy of these individuals.

The injury awards are valued under IAS 19 by the Government Actuary's Department (GAD). IAS 19 requires the employer to value the expected injury awards for active members, who may become injured in the future, and include the value in the Accounts. The relevant assumptions underpinning the actuarial valuation of the liability were as follows for both 2022-23 and 2023-24:

- rate of future injury award - 3.5%; and
- current service cost - 6.0%.

The demographic assumptions adopted for the assessment of the liabilities as at 31 March 2024 are those proposed for the 2020 valuation of the PCSPS (NI) since NI Prison Service employees are a member of this pension scheme. The use of the proposed 2020 valuation assumptions is a consistent approach to 2022-23.

The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvement are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. GAD expect that the projected of the long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

16. Provisions for liabilities and charges (continued)**16.1 Injury awards - £64.250m (2022-23: £67.410m) (continued)**

The split of the provision is shown below:

	2023-24	2022-23
	£000	£000
Liability in respect of:		
Active members	8,170	8,500
Pensions in payment (injury awards)	56,080	58,910
Total	64,250	67,410

Key financial assumptions:

	2023-24	2022-23
	%	%
Rate of discounting scheme liabilities	5.10%	4.15%
Rate of CPI inflation	2.55%	2.40%
Pension increase awarded	2.55%	2.40%
Long-term rate of increase in salaries	3.55%	3.65%

Key demographic assumptions:

	2023-24	2022-23
	Years	Years
Average expected future life at age 65 for:		
Male currently aged 65	21.4	21.1
Female currently aged 65	22.5	22.1
Male currently aged 45	23.2	22.9
Female currently aged 45	24.1	23.8

Incidence of injury awards:

	2023-24	2022-23
	%	%
Liability (proportion of liability of active members in respect of non-injury Pension Scheme benefits)	3.5%	3.5%
Current service cost (proportion of current service cost in respect of main Pension Scheme benefits)	6.0%	6.0%

16. Provisions for liabilities and charges (continued)**16.1 Injury awards - £64.250m (2022-23: £67.410m) (continued)****Analysis of movement in scheme liability:**

	2023-24	2022-23
	£000	£000
Net deficit at 1 April	67,410	103,930
Current service cost	980	2,040
Past service cost	200	250
Net interest on the net defined benefit liability	2,760	1,600
Benefits paid (recurring element)	(2,880)	(2,940)
Benefits paid (lump sums)	(200)	(250)
Re-measurements of the net defined liability	(4,020)	(37,220)
Net deficit at 31 March	64,250	67,410

Re-measurements of the liability can be further analysed as:

	2023-24	2022-23
	£000	£000
Experience (gains) and losses arising	3,650	12,430
Changes in financial assumptions	(7,670)	(45,780)
Changes in demographic assumptions	-	(3,870)
Re-measurements of the liability	(4,020)	(37,220)

Sensitivity analysis - sensitivity to changes in assumptions*

Assumption	Sensitivity	Approximate effect on total liability	
		%	£000
Financial assumptions:			
Discount rate	+0.5% p.a.	(6.5)%	(4,100)
Salary inflation	+0.5% p.a.	0.4%	300
Pension increases	+0.5% p.a.	6.3%	4,000
Demographic assumptions:			
Additional 1 year increase in life expectancy at retirement		2.5%	1,600

* *Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability. Doubling the changes in the assumptions will produce approximately double the change in the liability. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.*

16. Provisions for liabilities and charges (continued)

16.2 Litigation claims - £8.219m (2022-23: £6.659m)

Legal cases

The litigation provision relates to legal claims against NIPS by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provision reflects all known claims where it is considered that it is probable that the claim will be successful and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

Holiday pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgment was delivered on 4 October 2023. The 2023-24 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

- Outstanding legal advice now required following the Supreme Court judgment;
- Lack of accessible data for years previous to 2011; and
- Ongoing negotiations with Trade Union and their legal representatives.

Hearing loss

The hearing loss provision relates to claims from current and ex-prison officers for occupational hearing loss. The provision reflects claims up to March 2024 - the number of claims likely to be received in the future is uncertain and cannot be reliably estimated. Each case will be considered on its own merits and any settlement based on the severity of hearing loss.

16.3 Early departure costs - £0.681m (2022-23: £0.751m)

This provision relates to pension costs associated with the early departure of staff and benefits payable in respect of loss of earning capacity (or loss of support in respect of a death). The pension costs are payable to NILGOSC over the lifetime of the retired staff member and his/her spouse (where applicable).

17. Leases - Right of use assets

17.1 Right of use assets

2023-24	Land £000	Buildings £000	Vehicles, Plant & Machinery £000	Information Technology £000	Total £000
Right-of use assets					
At 1 April 2023	-	325	-	-	325
Depreciation expense	-	(170)	-	-	(170)
Lease termination	-	(155)			(155)
At 31 March 2024	-	-	-	-	-

In March 2024 the Dundonald House lease agreement was terminated prior to the expiration of the lease term, due to a structural issue with the roof of the building. The right of use asset and lease liability have been adjusted to £Nil, resulting in a gain reported in the Statement of Comprehensive Net Expenditure of £0.05m.

17.2 Right of use assets - maturity analysis

The following table shows the maturity analysis of the undiscounted lease payments

Maturity Analysis	2023-24 £000	2022-23 £000
Buildings		
Not later than one year	-	188
Later than one year and not later than five years	-	141
Later than five years	-	-
Total	-	329
Less interest element	-	(2)
Total present value of obligations	-	327
Current	-	186
Non-current	-	141
	-	327

17.3 Lease payments not recognised as a liability

The table below shows details of short term leases (leases of 12 months or less) or leases for low values assets. Payment for such leases are expensed on a straight-line basis and are included as an expense in the Statement of Comprehensive Net Expenditure.

17.3 Lease payments not recognised as a liability (continued)

	2023-24	2022-23
	£000	£000
Variable lease payments not included in lease liabilities	-	-
Short term leases	-	-
Expense relating to low-value asset leases	46	24
Total	46	24

17.4 Lease amounts recognised in the cash flow statement

	2023-24	2022-23
	£000	£000
Total cash outflow for leases	121	184

18. Capital commitments

	2023-24	2022-23
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these accounts:		
Property, plant and equipment	6,681	5,486
Intangible assets	-	-
	6,681	5,486

19. Other financial commitments

The Agency has entered into non-cancellable contracts (which are not lease or PFI contracts) and funding agreements for grant expenditure. Total future commitments are shown in the table below analysed according to the period in which the payments fall due.

	2023-24	2022-23
	£000	£000
Not later than one year	2,076	1,674
Later than one year and not later than five years	-	-
Later than five years	-	-
	2,076	1,674

20. Contingent liabilities

At the year end NIPS has estimated contingent liabilities of £5.5m (2022-23: £5.5m) in respect of litigation claims against NIPS. This relates to a legal claim by former staff for fair employment, industrial tribunal and court proceedings. There are also a number of legal claims against NIPS by staff, prisoners and third parties for injuries and other damage. These have not been provided for in the financial statements as NIPS considers that it is not probable that they will be successful.

The Greenbook 'Guidelines for the Assessment of General Damages in Personal Injury Cases in Northern Ireland (Sixth Edition)', published in March 2024, has the potential to increase the cost of settling a claim for personal injury, which the Agency will consider as part of its assessment of any estimated liability in this area in future financial years.

Public Sector Pensions - injury to feelings claims

The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

21. Related party transactions

NIPS is an Executive Agency of the Department of Justice. During the year, NIPS had various material transactions with the Core Department and other agencies within the Department including Forensic Science Northern Ireland, Northern Ireland Courts and Tribunals Service and Youth Justice Agency.

NIPS also had various material transactions with other entities for which the Department of Justice is regarded as the parent Department including Police Service of Northern Ireland, Probation Board for Northern Ireland and Northern Ireland Policing Board.

In addition NIPS had various material transactions with other government Departments and other central government bodies. Most of these transactions have been with the Department of Health and Department of Finance.

No Board member, key manager or other related parties has undertaken any material transactions with NIPS.

22. Third-party assets

There is a Prisoners' Personal Cash (PPC) facility for the lodgement of prisoner earnings and funding of tuck shop purchases. When prisoners are discharged they are paid in full the balance on their PPC account.

Each Prison Establishment administers a Prisoners' Amenities Fund. Payments from the fund are used for the welfare/benefit of all prisoners. Fund receipts include income from the sale of tuck shop items and donations.

	1 April 2023 £000	Gross Inflows £000	Gross Outflows £000	31 March 2024 £000
Monetary assets such as bank balances and balances on deposit:				
Prisoners' Private Cash Accounts	277	4,672	(4,710)	239
Prisoners' Amenities Funds	262	177	(235)	204
	539	4,849	(4,945)	443

23. Events after the reporting period

There were no events after the reporting period date that required adjustment to or disclosure in these financial statements.

Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 1 July 2024.