



NIJAC

*Northern Ireland Judicial  
Appointments Commission*

ANNUAL REPORT  
AND ACCOUNTS  
2013-2014



**Northern Ireland Judicial Appointments Commission**

**Annual Report and Accounts  
for the year ended 31 March 2014**

*Laid before the Northern Ireland Assembly under paragraphs 5 and 7 of  
Schedule 2 to the Justice (Northern Ireland) Act 2002, as amended by  
the Office of the First Minister and Deputy First Minister*

***On 2 October 2014***

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# CHAIRMAN'S FOREWORD

This is our ninth report on the work of the Northern Ireland Judicial Appointments Commission (NIJAC), which covers a very demanding period of appointments, renewals, diversity and communications work, policy review and internal governance and accountability.

The general public will always need and demand access to justice – whether through the Courts, Tribunals or mediation services.

In these difficult times, it is only natural that people will challenge or appeal decisions made by others which directly affect their employment, solvency and/or sources of income or benefits.

While there is a demand for justice, there will always be a requirement for people to serve their communities as judicial office holders.

During the reporting period 1 April 2013 - 31 March 2014, NIJAC made 60 recommendations for judicial appointment (Courts 14, Tribunals 46) and 31 renewal recommendations.

We continue to work within our statutory obligations, including our devolved responsibilities, through review and evaluation of our strategies and policies, continually trying to seek to improve.

While we have achieved success with many judicial officers reflecting the Northern Ireland community another priority will be to attract applications from those in under-represented groups.

In that context our work with the legal profession, through the Joint Liaison Committee, will become even more important and therefore we aim to develop closer working relationships and encourage their energetic engagement and participation.

Looking closer at the years ahead, I can see that while many opportunities for judicial appointment will appeal to those with a legal background, there are a number of roles which will seek applications from people who have experience in land valuation, medicine and health and social care and in addition there will be opportunities for members of the public to apply to serve in the Criminal Injuries Compensation Appeals and Mental Health Review Tribunals.

NIJAC is determined to encourage interest in judicial office, so I would encourage anyone with that interest to contact NIJAC to discuss opportunities and initiatives such as Judicial Shadowing or visit our website ([www.nijac.gov.uk](http://www.nijac.gov.uk)) for further information.

I look forward to building on our good work to date and continuing our ongoing consultation with all interested parties. This will ensure that we continue to get the best applicants, from as diverse an applicant pool as possible, applying for and being appointed to judicial office.

*Sir Declan Morgan, Lord Chief Justice of Northern Ireland and Chairman of the Northern Ireland Judicial Appointments Commission.*

# MANAGEMENT COMMENTARY

## Who we are

The Northern Ireland Judicial Appointments Commission (NIJAC) is an independent public body which was established to bring about a new system for appointing members of the judiciary in Northern Ireland.

NIJAC was established on 15 June 2005 under the Justice (Northern Ireland) Acts 2002 and 2004. It is an independent executive Non-Departmental Public Body (NDPB) sponsored by the Office of the First Minister and Deputy First Minister (OFMDFM).

As a consequence of the Northern Ireland Act 2009 policing and justice powers were devolved to the Northern Ireland Assembly on 12 April 2010.

The 2009 Act also extended NIJAC's statutory duties as not only a recommending body (for listed judicial offices commonly known as Crown appointments, generally substantive posts) but also an appointing body (for non Crown appointments, which are primarily fee paid posts) which removed this function from Government Ministers and the political process.

NIJAC also has influence over the judicial complement, and determination over certain terms and conditions in agreement with sponsoring departments who hold the budgets for judicial offices.

The Commission comprises of 13 members drawn from the judiciary, legal profession and other professional backgrounds. The Chairman is the Lord Chief Justice of Northern Ireland, Sir Declan Morgan. The 12 other members are appointed by the First Minister and Deputy First Minister acting jointly. The five judicial members are nominated by the Lord Chief Justice with each judicial tier represented. Commissioners who hold a publically funded office i.e. salary paid members of the judiciary, are not remunerated by NIJAC for their work in accordance with public sector policy.

The Bar Council of Northern Ireland and Law Society of Northern Ireland nominate 1 member each to serve as legal members on the Commission, and the Commission's 5 lay members who do not hold (or have never held) a protected judicial office and are not (and have never been) a barrister or solicitor are appointed by the First Minister and Deputy First Minister acting jointly and in accordance.

The Commission is supported by 13 staff headed by Mandy Kilpatrick, Chief Executive, who is responsible for the day to day management of NIJAC.

The Commissioners and staff have very different responsibilities. The Commissioners are responsible for the strategic direction and overseeing all appointments and outreach activities. They are effectively the Management Board to whom the staff report.

Commissioners have an equal say in the work of NIJAC and are of equal status.

## **Our purpose**

NIJAC is committed to the appointment of the best possible judicial officers for Northern Ireland through fair, open and transparent assessment, selection and appointment processes.

We recognise and value diversity and seek to promote equality while ensuring that merit remains the guiding principle for appointment.

It is our policy to have due regard to the need to promote equality of opportunity to actual and potential applicants irrespective of gender, marital status, religious belief or political opinion, race, age, disability, sexual orientation, dependant responsibilities or geographical location.

Our aim is to ensure that those who do apply will undergo an appointment process that assesses their knowledge, skills and abilities fairly and openly.

In this way we are confident that those most meritorious will be appointed.



## **Our statutory responsibilities**

1. To select and appoint, and recommend for appointment, in respect of all listed judicial offices up to and including High Court Judge.
2. To recommend applicants solely on the basis of merit.
3. To engage in a programme of action to secure, so far as it is reasonably practicable to do so, that appointments to listed<sup>i</sup> judicial offices are such that those holding such offices are reflective of the community in Northern Ireland.
4. To engage in a programme of action to secure, so far as it is reasonably practicable to do so, that a range of persons reflective of the community in Northern Ireland is available for consideration by NIJAC whenever it is required to select a person to be appointed, or recommend a person for appointment, to a listed judicial office.
5. To publish an annual report setting out the activities and accounts for the past year.

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<sup>i</sup> Schedule 1 of the Justice Act 2002.

## **Our principles**

The principles which guide and inform our work are:

- **Independence** – we will ensure NIJAC fulfils all of its statutory obligations, free from any political influence or interference;
- **Merit** - we will appoint and recommend for appointment applicants solely on the basis of merit;
- **Diversity** - we will implement a programme of action designed to support our aim to achieve, as far as reasonably practicable, a judiciary that is reflective of our society;
- **Fairness** - we will be fair in our decision making;
- **Transparency** - we will be open about our policies, procedures and activities;
- **Accountability** - we will explain our activities and where appropriate the reasons for our decisions; and
- **Partnership** - we will work closely with interested parties to share learning and to progress and inform our work.

# Strategic Report

## Introduction

The Northern Ireland Judicial Appointments Commission (NIJAC) is an executive non-departmental public body (NDPB) established as an independent body under the Justice (Northern Ireland) Acts 2002 and 2004. NIJAC's primary source of income is grant-in-aid provided by the Office of the First Minister and the Deputy First Minister (OFMDFM).

OFMDFM determines the performance framework for NIJAC. NIJAC, in consultation with the DOJ and OFMDFM, will set out its objectives and key targets having regard to the priorities of the Executive and the available resources.

The relationship between the NIJAC and the Ministers and their Department are governed by the 'arm's length' principle. These responsibilities are discharged on a day-to-day basis on the Ministers' behalf by the Sponsoring Department.

There was a recent and positive review of our work by the Northern Ireland Assembly's Justice Committee in April 2012; the review flowed from the requirement set out in the Northern Ireland Act 2009 and we are happy to play our role in any further review of the arrangements for appointments and removals.

It is important we continue our engagement with political representatives, while also focussing on our core business – selecting and recommending people for appointment to judicial office. NIJAC's Assessment and Selection Process for Judicial Appointment can be found at Appendix 1.

## **Corporate Objectives**

### ***Appointments Process***

- to select and appoint, and recommend for appointment, applicants to listed judicial office by identifying the best applicants on merit.

### ***Diversity and Communications***

- to engage in a programme of action to secure, so far as it is reasonably practicable to do so, a judiciary in Northern Ireland that is as reflective of society as can be achieved consistent with the requirement of appointment on merit; and
- to communicate helpful information, advice and guidance to targeted audiences to raise awareness and stimulate interest, encourage applications from under-represented groups, improve understanding of the application process and what judicial office entails, demonstrate openness and transparency and that appointments are made solely on the basis of merit.

### ***Accountability***

- to make effective and efficient use of resources in order to achieve objectives.

## **Accounting Responsibilities**

NIJAC's financial statements have been prepared in accordance with paragraph 7 of Schedule 2 to the Justice (Northern Ireland) Act 2002 as amended.

## **Operating Review**

During the reporting year, NIJAC managed and delivered a substantial programme of appointments and renewals to judicial office. NIJAC made 60 recommendations for appointment (Courts 14, Tribunals 46), and 31 recommendations for the renewal of appointments (Courts 19; Tribunals 12). For full equality monitoring information on applicant pools and renewals (Courts and Tribunals) see Appendix 2.

The Appointments, Character, Feedback and Complaints policies have all been subject to review during 2013/2014. Further work on Personal Profiles, against which applicants are assessed for judicial office, was undertaken by the Joint Liaison Committee and by a number of focus groups and through individual discussions. This work is informing our Senior Appointment Strategy Team (SART) who are leading on a review of assessment methodology.

Recruitment campaigns continue to be highly effective and evaluations of recruitment schemes continue to inform the Programme of Action, as does the Queen's University, Belfast (QUB) research 'Rewarding Merit in Judicial Appointments?' delivered in January 2013.

There has been a track record of achievement not least in adhering to strict governance arrangements and our aim is to continue to maintain those high standards.

## **Business Plan Performance**

Of the 20 Strategic Objectives contained in the 2013/14 Business Plan, all were achieved. The Objectives can be found at Appendix 3.

Business Plan objectives are monitored and adjusted as appropriate by Business Committee and Plenary in year. The 2013-14 Objectives to 'Deliver and manage a programme of appointments to judicial offices listed in Schedule 1 to the 2002 Act within time scales agreed with client organisations' was met in that we delivered to timescales agreed with client organisations. The original target was for 10 schemes however the timetable for 3 schemes was revised to accommodate the Department of Justice as they were not in a position to provide the requisite documentation to meet the original timetable.

This impacted on one target within the 2013-14 Objective to 'Maximise use of resources through sound financial management and controls, and achievement of efficiency targets'. Although we operated within allocated budget avoiding any overspend the slippage in scheme timetables and a member of staff leaving late in the year, meant that we did not manage to keep our underspend within the tolerance level of 0.5%. We did however achieve the 2nd target within this objective: delivering a cumulative 3% efficiency saving in-year and therefore consider the overall objective to be met.

## **Financial Overview**

As an NDPB, NIJAC is subject to the relevant Government and accounting guidelines. NIJAC was financed in 2013-14 by grant-in-aid through OFMDFM and does not normally obtain additional funding from any other source.

Deficit transferred to taxpayers' equity for the year totalled £1,230,074 (2012-13: £1,310,305). The main areas of expenditure were staff costs £732,437 (2012-13: £755,316) which accounted for 53% (2012-13: 58%) of the total expenditure, and accommodation costs of £232,945 (2012-13: £219,745) accounting for 17% (2012-13: 17%) of the total expenditure. Accommodation costs relating to the part of Headline Building shared by the Commission for Victims and Survivors Northern Ireland are recharged; these recharges are included in receipts. Income of £139,387, relating to the reimbursement of rent, rates and other premises costs, were received during the year (2012-13: £579).

The total grant drawn down from OFMDFM in respect of 2013-14 was £1,241,326 (2012-13: £1,307,291).

Capital expenditure during the year amounted to £234 (2012-13: £3,954). At the year end, the assets owned by NIJAC had a net book value of £6,215 (2012-13: £19,347).

The expenditure, showing cost savings, for the last four years are shown in the table below.

	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
Staff costs	732,437	755,316	816,456	807,647
Depreciation, amortisation and revaluation	12,754	16,694	13,079	9,559
Other expenditure	624,270	538,874	582,151	617,061
	<u>1,369,461</u>	<u>1,310,884</u>	<u>1,411,686</u>	<u>1,434,267</u>
Income	(139,387)	(579)	(675)	-
	<u>1,230,074</u>	<u>1,310,305</u>	<u>1,411,011</u>	<u>1,434,267</u>
Capital	234	3,954	-	45,398
Total (including Capital)	<u>1,230,308</u>	<u>1,314,259</u>	<u>1,411,011</u>	<u>1,479,665</u>
Cost saving on prior year	6%	7%	5%	7%

## Going concern

The statement of financial position at 31 March 2014 shows net liabilities of £62,600. This reflects the inclusion of liabilities falling due within one year which, to the extent that they are not met from NIJAC's other sources of income, may only be met by future grant-in-aid from NIJAC's sponsoring department, the Office of the First Minister and Deputy First Minister. This is because, under the normal conventions applying to Assembly control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-aid for 2014-15, taking into account the amounts required to meet NIJAC's liabilities falling due in that year, have already been included in the department's Estimates for that year, which have been approved by the Assembly, and there is no reason to believe that the department's future sponsorship and future Assembly approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## **Principal Risks and Uncertainties**

Risk Management is integrated into the activities of NIJAC by linking directly to the achievement of objectives. NIJAC implements effective risk management arrangements, which are detailed in our Risk Management Handbook. These include developing, monitoring and reviewing a Corporate Risk Register which identifies the key risks, those responsible for ensuring that the risks are managed, and the action that will be taken to manage them. Further details can be found in the Governance Statement.

Whilst focussing on our core business – selecting and recommending people for appointment to judicial office, we must be alive to other issues, such as Welfare Reform, the Future Administration and Structure of Tribunals in Northern Ireland, Legal Aid Reform and of course, any alterations to our applicant pool influenced by various factors, including changes to the economy.

Also, the potential impact of a review of Judicial Pensions and a Supreme Court ruling (which said, amongst other things, that Fee Paid judicial office holders are to be treated as part time workers and therefore should receive a pension based on their service – much in the same way as their salaried colleagues) - to potentially catalyse early judicial retirements, changes to judicial terms and conditions and the impact this might have on both salaried and fee paid judicial roles and the composition at relevant tiers, it makes for a challenging few years for NIJAC.

The main risks to NIJAC's business objectives included in the Corporate Risk Register are:

- Impact on NIJAC's Financial and Business Planning due to delays in receipt of job descriptions, terms and conditions and changing priorities from Client Organisations.
- Shortage of Commissioners to sit on Selection Committee Panels.

Controls are in place to reduce the risk on NIJAC.



## Future Strategy

Our 2014-17 Corporate Plan, published in May 2014, is set around NIJAC's key aim, to appoint and recommend for appointment solely on merit. In accordance with our governing legislation, NIJAC is required to engage in a Programme of Action to ensure as far as is reasonably practicable that appointments to listed judicial official are such that those holding such offices are reflective of the community in Northern Ireland.

As you can see from the diagram below, we have identified four key work areas, each of which interact with the other and work towards delivering our key aim and complying with our statutory commitments.



While some operational targets may change in the next 12, 24 and 36 months, our focus will remain on meeting the commitments aligned to each of these four areas.

Our 2014-15 Business Plan, published in May 2014, sets out the work we will do in the coming year. One of the key pieces of work is to review and benchmark what we do, and implement an evidence based plan of action to deliver best practice in judicial appointments. We will do this by establishing Design Principles and producing a standardised approach to our assessment and selection methods, including standardised Applicant Information Booklets and Personal Profiles.

We will benchmark our approach against those in other jurisdictions, both nationally and globally, and establish a structured methodology that reflects best practice.

A key priority in the next few years is to ensure everyone understands how we select and/or recommend people for judicial office while ensuring our approach is based on the very best evidence of good practice.

It has been our custom to listen to feedback and we intend to advance this further.

## **Staffing**

NIJAC's full complement in 2013/14 was 19 staff covering 18 posts, which includes 5 directly recruited senior staff and 13 seconded staff positions. One post was covered by 2 job sharers on secondment.

OFMDFM, as NIJAC's Sponsor Department, commissioned a Staffing Review to ensure the continued effectiveness of NIJAC's internal support structures. This was followed up during 2013-14 with an internal review of the staffing structure.

As a result an optimum staffing structure was agreed at the end of 2013-14 reducing the complement from 18 to 12.5; the new staffing structure will allow NIJAC to meet its statutory obligations and business objectives. A number of recommendations have been implemented and a plan to implement the remaining aspects of the agreed structure will be developed during 2014-15.

Given the level of change, and recognising the importance of staff and their contribution, a number of work streams have been identified for 2014-15 that will establish a framework that encourages staff engagement and enhanced performance.

The average number of staff in post during 2013-14 can be found at Note 4 to the Accounts. NIJAC is committed to staff development and continues to identify and address development needs through the performance management system.

The gender split for the Board (Commissioners) and staff is as follows:

	Total	Male	Female
The Board	12	8	4
Senior Civil Servants	1	0	1
Employees	12	5	7

## **Equal Opportunities and Diversity**

There are policies in place to guard against discrimination, to ensure compliance with legal requirements and to ensure that there are no unfair or illegal discriminatory barriers to employment and advancement in NIJAC.

Generally Civil Service Policies (contained in the Civil Service Staff Handbook) have been adopted by NIJAC and apply both to staff on secondment and those directly recruited.

Some policies have been amended to facilitate NIJAC's particular structure, as necessary.

All staff are currently managed under the NI Civil Service Equal Opportunities Policy, which guards against discrimination in employment and which values and respects all individuals.

Staff are currently covered by the Equality Scheme produced by the NI Civil Service, which seeks to ensure compliance with the public sector equality duty to have due regard for the promotion of equality of opportunity in respect of disability, gender, race, religion, political opinion and among those of different ages, marital status or sexual orientation or who have or have not dependants; and good relations between those of different religions, political opinions and races.

The Sponsor Department's Employment Equality Plan to protect all those groups from discrimination also applies. Employment and promotion are based solely on merit. Staff who work reduced hours are assessed on the same basis as those working full time. A Dignity and Harmony at Work policy is in place to secure a positive working environment.

## **Employment of Disabled Persons**

NIJAC adheres to the NI Civil Service Code of Practice on the Employment of Disabled People that aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career advancement in NIJAC is based solely on ability, qualifications and suitability for the post.

NIJAC aims to ensure that people with disabilities have equality of opportunity and fair participation in all aspects of their employment, and that discrimination does not take place.

## **Employee Involvement**

NIJAC encourages widespread consultation and exchange of information at all levels. This is achieved through senior staff briefings and the cascading of information to all staff. All staff are also automatically invited to contribute during the consultation exercises issued in relation to staff policies.

## **Sustainability Report**

NIJAC is working towards sustainable development and seeks to demonstrate its commitment to reducing environmental impacts wherever possible.

NIJAC continues to demonstrate its active support of the Northern Ireland Sustainable Development Strategy, which can be found at: [www.ofmdfmi.gov.uk/sustain-develop.pdf](http://www.ofmdfmi.gov.uk/sustain-develop.pdf)

NIJAC's aims are:

- **climate change and energy efficiency** - to reduce energy consumption as far as reasonably and economically practicable;
- **waste management and recycling** - to reduce waste, increase the proportion of waste that is recycled and eliminate our use of landfill sites for general office waste;
- **procurement** - to promote a purchasing policy which will give preference, as far as practical, to those products and services which cause the least harm to the environment; and
- **people** - to seek to embed the principle of sustainable development through increasing awareness of sustainability responsibilities among staff and for all who work with us.

NIJAC currently recycles all office waste and encourages electronic communication to reduce the generation of excess paper. The circulation of corporate publications is confined to a succinct audience and NIJAC ensures that corporate documents are printed on paper derived from sustainable sources. NIJAC ensures that all printed publications are carbon neutral and that its website is used to promote circulation of corporate information to a wider audience.

NIJAC uses the Northern Ireland Civil Service (NICS) contracts wherever possible. All NICS Contracts for the supply of goods include a condition that requires suppliers to comply with the Packaging Act which makes the supplier responsible for recycling of the packaging materials.



**Mandy Kilpatrick**  
**Accounting Officer**  
**15 September 2014**

# Director's Report

## Chief Executive

Mandy Kilpatrick is the Chief Executive and Accounting Officer.

## Salary and pension entitlements

Details of the remuneration and pension interests of the Chief Executive and remuneration details of Commission members are detailed in the Remuneration Report.

## Composition of the Commission

**The Commission consists of a Chairman (the Lord Chief Justice of Northern Ireland) and twelve other members appointed by the First Minister and deputy First Minister, acting jointly.**

The Right Honourable Sir Declan Morgan (Chairman), the Lord Chief Justice of Northern Ireland;

Mrs Sinéad Burns, Lay Magistrate (appointment expired 14 June 2013);

The Right Honourable Lord Justice Coghlin, Lord Justice of Appeal;

Mr Eoin Doyle, Lay Magistrate (appointed 17 June 2013);

Mr Donal Flanagan OBE, Lay Member (appointment expired 14 June 2013);

Mrs Breidge Gadd, Lay Member;

District Judge (Magistrates' Courts) Amanda Henderson (appointment expired 14 June 2013);

Mrs Fiona Keenan, Lay Member;

His Honour Judge Kinney, County Court Judge (appointed 17 June 2013);

Her Honour Judge Loughran, County Court Judge (appointment expired 14 June 2013);

Mr James McNulty QC, Legal Member;

District Judge (Magistrates' Courts) Rosalie Prytherch (appointed 17 June 2013);

Mr Alastair Rankin, Solicitor, Legal Member;

Professor Nichola Rooney, Lay Member;

The Honourable Mr Justice Stephens, High Court Judge (appointed 17 June 2013);

Mr Lindsay Todd, Lay Member;

The Honourable Mr Justice Weatherup, High Court Judge (appointment expired 14 June 2013).

At the end of their first term, judicial members are re-appointed for a period of 5 years, the lay members are re-appointed for 4 years and the legal members for a period of 3 years.

The Honourable Mr Justice Stephens, His Honour Judge Kinney, District Judge (Magistrates' Courts) Rosalie Prytherch and Mr Eoin Doyle replaced The Honourable Mr Justice Weatherup, Her Honour Judge Loughran, District Judge (Magistrates' Court) Amanda Henderson and Mrs Sinead Burns, as judicial members, when their terms expired 14 June 2013. The Honourable Mr Justice Stephens, His Honour Judge Kinney, District Judge (Magistrates' Courts) Rosalie Prytherch and Mr Doyle commenced office on 17 June 2013.

Lay Member, Mr Donal Flanagan's term expired on 14 June 2013; the Office of the First Minister and Deputy First Minister are responsible for appointing a replacement.

All members are non-executive and independent.

Pen pictures of all Commission members can be found on our website [www.nijac.gov.uk](http://www.nijac.gov.uk).

## **Commission Members' Interests**

None of the Commission members held interests or directorships during the year which would conflict with their responsibilities as members of the Commission.

## **Auditors**

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is the head of the Northern Ireland Audit Office and he and his staff are wholly independent of NIJAC.

The audit of the financial statements for 2013-14 resulted in an audit fee of £10,737 (2012-13: £11,134). The C&AG did not provide any non-audit services during the year.

## **Days lost due to absence**

NIJAC encourages a culture where good attendance is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. NIJAC aims to treat its staff who are ill, with sympathy and fairness, and where possible to provide them with support which will enable them to recover their health and attend work regularly.

In 2013-14 the percentage of working days lost was 0.53% (2012-13: 3.67%) or an average of 1.32 days (2012-13: 9.22) per annum per employee. There were no members of staff on long term sick leave during the year.

## **Personal Data Related Incidents**

There were no recorded loss of data incidents during the 2013-14 financial year.



## **Information Management**

NIJAC aims to ensure that all information is safeguarded and kept securely.

NIJAC has agreed an Information Strategy, setting out our vision for managing our information more efficiently and intelligently.

One aspect of this is ensuring that NIJAC manages information risk by following the requirements of our suite of Information Assurance policies. We have reviewed compliance with these policies to ensure that the importance of information security is embedded within NIJAC.

## **Payment of Suppliers**

NIJAC is committed to the prompt payment of suppliers. The Confederation of British Industry's Prompt Payment Code for achieving good payment performance in commercial transactions requires payment within 30 days of the receipt of the goods or services or on presentation of a valid invoice or similar demand, whichever is later (unless otherwise stated in the contract). During the year 96.65% (2012-13: 97.80%) of invoices were paid within this standard.

Since January 2009, the NIJAC's aim has been to pay all valid invoices within ten days of receipt. During 2013-14, 94.55% (2012-13: 93.82%) of invoices were paid within the target.

## **Financial instruments and Financial Risk Management**

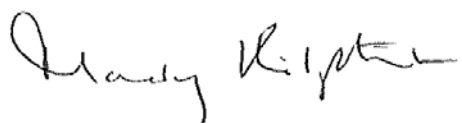
Due to the largely non-trading nature of NIJAC's activities and the way in which executive non-departmental bodies are financed, NIJAC is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies.

NIJAC has no powers to borrow or invest surplus funds and except for relatively insignificant purchases of foreign currency, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing NIJAC in undertaking its activities. Further details can be found at Note 16 of the Accounts.

## **Complaints**

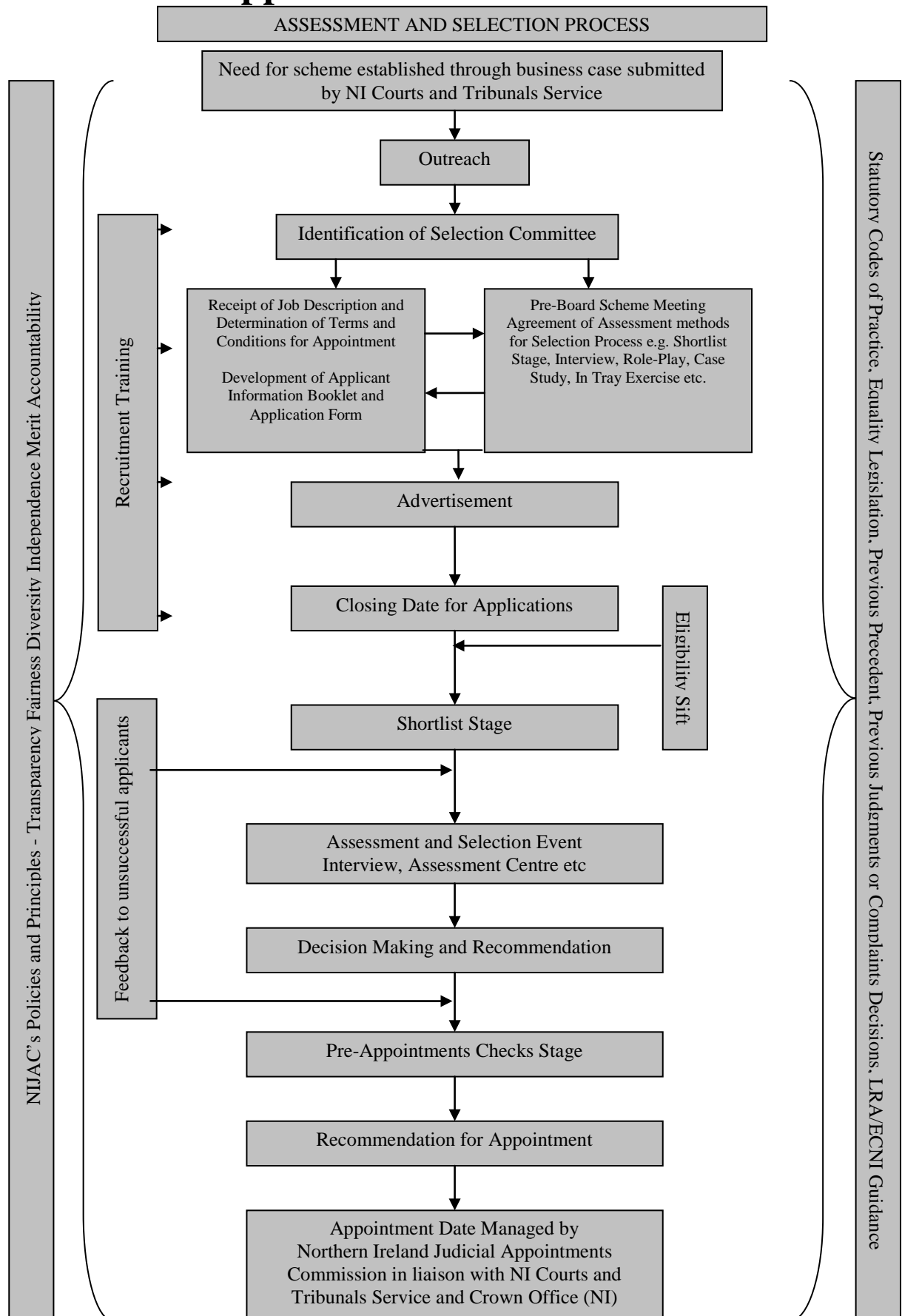
During the period of this report one complaint was made; the complaint was not upheld.

I, as Accounting Officer, have taken appropriate steps to make myself aware of relevant audit information and to establish that the C&AG is aware of that information. To my knowledge, there is no relevant audit information of which the C&AG is unaware.



**Mandy Kilpatrick**  
**Accounting Officer**  
**15 September 2014**

# Appendix 1 – Assessment and Selection Process for Judicial Appointment



## Appendix 2 - Diversity Statistics

The statistical information contained in this appendix on the diversity of those who have applied and those who have been recommended as suitable for appointment, is provided in accordance with the Commissions statutory obligations under Justice (Northern Ireland) Act 2002 (c.26) Schedule 2.

### ***1. Recommendations for appointment (including applicant pools) during the Period 2013 - 2014.***

During the reporting period the Commission made 60 recommendations for appointment (Courts 14; Tribunals 46) – 1 County Court Judge (23 applications received), 1 Deputy Court Judge<sup>i</sup>, 1 District Judge (44 applications received), 1 Deputy Statutory Officer (Chancery/Property) (32 applications received)<sup>ii</sup>, 1 Deputy Statutory Officer<sup>iii</sup>, 2 District Judges (Magistrates’ Courts) (60 applications received), 7 Deputy District Judges (Magistrates’ Courts) (90 applications received), 2 Criminal Injuries Compensation Appeals Panel (Medical) Adjudicators (5 applications received), 1 Appeal Tribunals Medical (Consultant) Member (1 application received), 40 Appeal Tribunals Medical (Generalist) Members (67 applications received) and 3 Pensions Appeal Tribunals Service Members (29 applications received).

<b>Gender</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Recommendations</b>	34	26	60
%	57%	43%	100%
<b>Applicant Pools</b>	213	138	351
%	61%	39%	100%

<sup>i</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

<sup>ii</sup> Includes applications for DSO (Bankruptcy) and DSO (Taxation) where no appointment made.

<sup>iii</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

Please note that percentage figures quoted are approximate.

<b>Community Background</b>	<b>Protestant</b>	<b>Roman Catholic</b>	<b>Neither</b>
<b>Recommendations</b>	36	23	1
%	60%	38%	2%
<b>Applicant Pools</b>	155	178	18
%	44%	51%	5%

<b>Age on Appointment</b>	<b>35 and under</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>51-55</b>	<b>56-60</b>	<b>Over 60</b>
<b>Recommendations</b>	13	7	10	8	6	12	4
%	22%	12%	17%	13%	10%	20%	6%
<b>Applicant Pools</b>	39	48	70	58	71	48	17
%	11%	14%	20%	16%	20%	14%	5%

<b>Ethnic Origin</b>	<b>White</b>	<b>Other</b>
<b>Recommendations</b>	59	1
%	98%	2%
<b>Applicant Pools</b>	345	6
%	98%	2%

<b>Disability</b>	<b>No Disability Declared</b>	<b>Disability Declared</b>
<b>Recommendations</b>	58	2
%	97%	3%
<b>Applicant Pools</b>	346	5
%	99%	1%

<b>Personal Geographic Location</b>				
<b>Location</b>	<b>Recommendations</b>	<b>%</b>	<b>Applicant Pool</b>	<b>%</b>
Belfast	21	35%	144	41%
Co Antrim	11	18%	43	12%
Co Armagh	3	5%	13	4%
Co Down	16	26%	101	29%
Co Fermanagh	0	0%	4	1%
Co Londonderry	4	7%	27	7%
Co Tyrone	4	7%	13	4%
Other	1	2%	5	1%
Not indicated	0	0%	1	1%

<b>Business Geographic Location</b>				
<b>Location</b>	<b>Recommendations</b>	<b>%</b>	<b>Applicant Pool</b>	<b>%</b>
Belfast	22	36%	169	48%
Co Antrim	8	13%	25	7%
Co Armagh	0	0%	2	1%
Co Down	4	7%	38	11%
Co Fermanagh	1	2%	3	1%
Co Londonderry	1	2%	15	4%
Co Tyrone	2	3%	9	2%
Province wide	0	0%	0	0%
Other	1	2%	13	4%
Not indicated	21	35%	77	22%

## ***2. Recommendations for renewal of appointment during the Period 2013/2014.***

During the reporting period the Commission made 32 recommendations for renewal of appointment (Courts 20; Tribunals 12) – 1 Temporary High Court Judge, 15 Deputy County Court Judges, 1 Deputy District Judge, 3 Deputy District Judges (Magistrates' Courts), 1 Industrial Tribunals and Fair Employment Tribunal Chairman, 1 Appeal Tribunals Legal Member, 1 Lands Tribunal Temporary Member, 2 Mental Health Review Tribunal Legal Members, 1 Mental Health Review Tribunal Medical Member, 1 Mental Health Review Tribunal Experienced Member, 1 Pensions Appeal Tribunal Legal Member, 2 Pensions Appeal Tribunal Medical Members and 2 Pensions Appeal Tribunal Service Members.

<b>Gender</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
	26	6	32
%	81%	19%	100%

<b>Community Background</b>	<b>Protestant</b>	<b>Roman Catholic</b>	<b>Neither</b>
	21	10	1
%	66%	31%	3%

<b>Age on Reappointment</b>	<b>35 and under</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>51-55</b>	<b>56-60</b>	<b>Over 60</b>
	0	0	0	0	9	5	18
%	0%	0%	0%	0%	28%	16%	56%

<b>Ethnic Origin</b>	<b>White</b>	<b>Other</b>
	31	1
%	97%	3%

<b>Disability</b>	<b>No Disability Declared</b>	<b>Disability Declared</b>
	31	1
%	97%	3%

<b>Personal Geographic Location</b>		
Belfast	13	40%
Co Antrim	4	13%
Co Armagh	2	6%
Co Down	6	19%
Co Fermanagh	0	0%
Co Londonderry	4	13%
Co Tyrone	1	3%
Other	0	0%
Not indicated	2	6%

<b>Business Geographical Location</b>		
Belfast	21	66%
Co Antrim	1	3%
Co Armagh	1	3%
Co Down	1	3%
Co Fermanagh	1	3%
Co Londonderry	2	6%
Co Tyrone	0	0%
Province wide	3	10%
Other	0	0%
Not indicated	2	6%



# **Appendix 3 – 2013-14 Corporate and Business Plan Objectives**

## **The Objectives in the 2013-14 Business Plan**

The four work areas are Programme of Appointments, Diversity, Accountability and Governance, and External Communications.

### **1. Appointments Process**

#### ***Corporate Objective***

To conduct a programme of appointments and select applicants on merit for appointment, and recommendation for appointment, in respect of all listed judicial offices up to and including High Court judge.

#### ***Business Objectives***

1. Deliver and manage a programme of appointments to judicial offices listed in Schedule 1 to the 2002 Act within time scales agreed with client organisations.
2. Administer the renewal of appointment process to meet the business needs of the NI Courts and Tribunals Service.
3. Development an updated three year Appointments and Renewals Strategy to guide the policy and operational work of NIJAC.
4. Development and implementation of an Appointments Learning and Development Programme for Commissioners and Staff to ensure the continuous improvement to the assessment and selection function and positive experience of applicants.

## **2. Diversity**

### ***Corporate Objective***

To continue engage in a programme of action to secure, so far as it is reasonably practicable to do so, a judiciary in Northern Ireland that is as reflective of our society as can be achieved consistent with the requirement of appointment on merit.

### ***Business Objectives***

1. Implementation of a Research Informed Programme of Action resulting from the Northern Ireland Statistics and Research Agency (NISRA)/Queen's University Belfast (QUB) (2008) and QUB (2012) research.
2. Ensure appropriate judicial complement in place by:
  - a) making timely appointments by assisting in succession planning by regularly updating and maintaining databases of judicial appointments, and
  - b) seeking timely DOJ agreement when an increase to complement is sought.
3. Evaluation of the effectiveness of schemes in securing widest possible applicant pool and an evaluation of applicant experience of the Scheme Process.
4. Produce an Equality Monitoring Report for each Appointment Scheme.
5. Produce an Annual Equality Monitoring Report summarising the position regarding applications for judicial appointments during the year, and the position regarding judicial office holders, compared with the applicant pool.

### **3. Accountability and Governance**

#### ***Corporate Objective***

To make effective and efficient use of our resources in order to achieve our objectives.

#### ***Business Objectives***

1. Ensure NIJAC is staffed to full complement to allow to operate effectively, delivering on objectives, plans and statutory remit.
2. Ensure NIJAC demonstrates the highest levels of information assurance, protecting the information it receives, processes and manages for the purposes of judicial appointments in accordance with best practice, therefore safeguarding candidate information.
3. Ensure data is held in accordance with the Data Protection Act and disposed of in accordance with NIJAC Disposal of Documents Schedule. The schedule complies with the requirements in the Public Records Act (NI)1923.
4. Produce and publish an Annual Report and Accounts in adherence to the Accounts Direction given by the Office of the First and Deputy First Minister in accordance with Paragraphs 5 and 7 of Schedule 2 of the Justice (Northern Ireland) Act 2002.
5. Maximise use of resources through sound financial management and controls, and achievement of efficiency targets.
6. Agree and secure the required level of resources to deliver NIJAC's objectives with the sponsorship department.
7. Deliver an effective Risk Management system and maintain an effective system of internal control.
8. Adherence to Sponsorship and corporate governance processes and practices in place in relation to Arm's Length Bodies.

9. Operate and maintain effective and transparent corporate governance processes and practices within NIJAC.
10. Ensure the effectiveness and efficiency of NIJAC and its Committees.

#### **4. External Communication**

##### ***Corporate Objective***

To regularly communicate helpful information, advice and guidance to targeted audiences to stimulate interest and raise awareness; encourage applications from under-represented groups

##### ***Business Objectives***

1. Deliver a Research Informed Programme of Action by continued website development, circulation of articles, publications and outreach events, and improve understanding of the application process and what judicial office entails; demonstrate openness and transparency and that appointments are made solely on merit.

# REMUNERATION REPORT

## Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Body report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

## Service Contracts

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

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

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org).

## Salary and pension entitlements (*Audited Information*)

The following sections provide details of the remuneration and pension interests of the Commission members and the most senior management of NIJAC (the Chief Executive).

### *Chief Executive*

The position of Chief Executive from 1 April to 30 September 2013 was held by Edward Gorringe, a direct employee of NIJAC. Mandy Kilpatrick, from the Northern Ireland Courts and Tribunals Service, took up the position of Chief Executive on 14 October 2013 on a 2 year secondment.

The remuneration payable to the Chief Executive was as follows:

	2013-14					2012-13				
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits***	Total	Salary	Bonus Payments	Benefits in Kind	Pension Benefits***	Total
Name	£'000	£'000	(to nearest £100)	(to nearest £1,000)	(£'000)	£'000	£'000	(nearest £100)	(to nearest £1,000)	(£'000)
Edward Gorringe*	30-35 (60-65 full year equivalent)	-	-	14	45-50	60-65	-	-	24	85-90
Mandy Kilpatrick**	25-30 (60-65 full year equivalent)	-	-	(22)	5-10	-	-	-	-	-

\*Mr Gorringe left on 30 September 2013.

\*\* Mrs Kilpatrick started on 14 October 2013.

\*\*\* 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.

## Commission members

The remuneration payable to the Commission members was as follows:

Name	2013-14		2012-13	
	Salary £000	Benefits in Kind (nearest £100)	Salary £000	Benefits in Kind (nearest £100)
The Right Honourable Sir Declan Morgan (Chair)	-	-	-	-
Mrs Sinéad Burns (appointment expired 14 June 2013)	0-5	-	0-5	-
The Right Honourable Lord Justice Coghlin	-	-	-	-
Mr Eoin Doyle (appointed 17 June 2013)	0-5	-	-	-
Mr Donal Flanagan OBE (appointment expired 14 June 2013)	-	-	-	-
Mrs Briedge Gadd	5-10	-	0-5	-
District Judge (Magistrates' Courts) Amanda Henderson (appointment expired 14 June 2013)	-	-	-	-
Mrs Fiona Keenan	5-10	-	0-5	-
His Honour Judge Kinney (appointed 17 June 2013)	-	-	-	-
Mrs Ruth Laird CBE (appointment expired 14 June 2012)	-	-	0-5	-
Her Honour Judge Loughran (appointment expired 14 June 2013)	-	-	-	-
Mr James McNulty QC*	-	-	-	-
Professor John Morison (appointment expired 14 June 2012)	-	-	0-5	-
Dr Raymond Mullan OBE (appointment expired 14 June 2012)	-	-	0-5	-
District Judge (Magistrates' Courts) Rosalie Prytherch (appointed 17 June 2013)	-	-	-	-
Mr Alastair Rankin	5-10	-	0-5	-
Professor Nichola Rooney	5-10	-	5-10	-
The Honourable Mr Justice Stephens, High Court Judge (appointed 17 June 2013)	-	-	-	-
Mr Lindsay Todd	5-10	-	0-5	-
The Honourable Mr Justice Weatherup (appointment expired 14 June 2013)	-	-	-	-

\*Mr McNulty has foregone his right to claim fees and expenses.

	2013-14	2012-13
<b>Band of Highest Paid Director's Total</b>		
<b>Remuneration</b>	60-65	60-65
<b>Median Total Remuneration</b>	28,149	30,825
<b>Ratio</b>	2.22	2.03

## **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.

There were no 'off-payroll' engagements at a cost of over £58,200 per annum as at 31 March 2014.

## **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.

## **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were awarded in 2013-14. Commission Members do not receive bonus payments.

## **Pay Multiples**

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



The banded remuneration of the highest-paid director in the Commission in the financial year 2013-14 was £60,000-£65,000 (2012-13: £60,000-£65,000). This was 2.22 times (2012-13: 2.03 times) the median remuneration of the workforce, which was £28,149 (2012-13: £30,825).

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

The movement in the ratio between 2013-14 and 2012-13 is due to a decrease in staff numbers and an increase in staff numbers in the lower bands thus decreasing the median remuneration of the workforce.

## **Pension Entitlements (*Audited Information*)**

### *Commission Members*

No pension contributions are made by NIJAC in respect of the Commission members.

### *Chief Executive*

<b>Name and title</b>	<b>Accrued Pension at pension age as at 31/03/14 and related lump sum</b>	<b>Real increase/ (decrease) in pension and related lump sum at pension age</b>	<b>CETV at 31/03/14</b>	<b>CETV at 31/03/13</b>	<b>Real increase/ (decrease) in CETV</b>	<b>Employer contribution to partnership pension account</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Nearest £100</b>
Mr E Gorringe* Chief Executive	15-20 plus 0 lump sum	0-2.5 plus 0 lump sum	186	172	11	-
Mrs M Kilpatrick** Chief Executive	25-30 plus 85-90 lump sum	(0-2.5.0) plus (2.5-5.0) lump sum	535	544	(18)	-

\*Mr Gorringe left on 30 September 2013.

\*\* Mrs Kilpatrick started on 14 October 2013.

## Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based ‘final salary’ defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality ‘money purchase’ stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a ‘Career Average Revalued Earnings’ (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2014, public service pensions will be increased by 2.7% for pensions which began before 8 April 2013. Pensions which began after 8 April 2013 will be increased proportionately.

Employee contributions are determined by the level of pensionable earnings. The employee contribution rates for the 2014/15 year are as follows:

Members of **classic**:

Annual pensionable earnings (full-time equivalent basis)	New 2014 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	3.00%
£21,001-£30,000	4.48%
£30,001-£50,000	5.27%
£50,001-£60,000	6.05%
Over £60,000	6.85%

Members of **premium**, **nuvos** and **classic plus**:

Annual pensionable earnings (full-time equivalent basis)	New 2014 contribution rate before tax relief
Up to £15,000	3.50%
£15,001-£21,000	5.00%
£21,001-£30,000	6.48%
£30,001-£50,000	7.27%
£50,001-£60,000	8.06%
Over £60,000	8.85%

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. Further details about the CSP arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni).

## **Cash Equivalent Transfer Values**

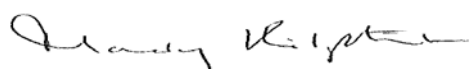
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment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

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office**

There was no compensation paid for loss of office during 2013-14 (2012-13: Nil).



**Mandy Kilpatrick**

**Accounting Officer**

**15 September 2014**

# STATEMENT OF THE NORTHERN IRELAND JUDICIAL APPOINTMENTS COMMISSION'S AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 7 of Schedule 2 to the Justice (Northern Ireland) Act 2002 as amended, the Northern Ireland Judicial Appointments Commission is required to prepare a statement of accounts in respect of each financial year in such a form and on the basis determined by the Office of the First Minister and Deputy First Minister (OFMDFM), with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NIJAC at the year end and of the income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Financial Reporting Manual* prepared by HM Treasury and in particular to:

- observe the Accounts Direction issued by OFMDFM 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 *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that NIJAC will continue in operation.

The Accounting Officer of OFMDFM designated the Chief Executive as the Accounting Officer for NIJAC. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping proper records, are set out in the Non-Departmental Public Bodies Accounting Officers' Memorandum issued by DFP and published in *Managing Public Money Northern Ireland*.

# GOVERNANCE STATEMENT

## Introduction

This statement is given in respect of the Northern Ireland Judicial Appointments Commission's Resource Account for 2013-14. It outlines NIJAC's governance framework for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer.

## The Governance Framework

As Accounting Officer of NIJAC I have overall responsibility for ensuring NIJAC applies high standards of corporate governance, including effective support for the Board's performance and management of risks, to ensure it is well placed to deliver its objectives, and is sufficiently robust to face challenges that it encounters.

I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Judicial Appointments Commission's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money NI and the Non Departmental Public Body (NDPB) Accounting Officer Memorandum.

The Plenary (Board) has three committees, the Audit and Risk Management Committee, the Business Committee and the Policy Committee.

The relationship between NIJAC and its sponsoring Department, OFMDFM, is set out in the Management Statement. The Management Statement defines the financial and administrative framework within which NIJAC operates, sets out the conditions on which grant-in-aid is paid and the delegations within which NIJAC operates. The Management Statement has been approved by Ministers responsible for OFMDFM. It is supplemented by a Financial Memorandum agreed with NIJAC and approved by OFMDFM and the Department of Finance and Personnel (DFP).

## Committee Structure and Coverage of Work



### The Plenary

The Plenary is a meeting of all Commissioners and is chaired by the Chairman of the NIJAC.

The Plenary meets four times a year, and in addition holds an annual Strategy Day. Exceptional meetings are convened as required. The Chairman of NIJAC and the Chief Executive determine the programme of meetings and business each year. Approved minutes of Plenary meetings are published on NIJAC's website.

The Plenary has corporate responsibility for:

- ensuring that NIJAC fulfils the aims and objectives agreed with its Sponsorship Department and set out in legislation, and
- for promoting the efficient, economic and effective use of staff and other resources by NIJAC.

A detailed list of responsibilities of NIJAC is set out in the Management Statement and Financial Memorandum, and the Justice (NI) Act 2002.



### **Membership as at 31 March 2014**

The Right Honourable Sir Declan Morgan (Chairman), the Lord Chief Justice of Northern Ireland

The Right Honourable Lord Justice Coghlin, Lord Justice of Appeal

Mr Eoin Doyle, Lay Magistrate

Mrs Breidge Gadd, Lay Member

Mrs Fiona Keenan, Lay Member

His Honour Judge Kinney, County Court Judge

Mr James McNulty QC, Legal Member

District Judge (Magistrates' Courts) Rosalie Prytherch

Mr Alastair Rankin, Solicitor, Legal Member

Professor Nichola Rooney, Lay Member

The Honourable Mr Justice Stephens, High Court Judge

Mr Lindsay Todd, Lay Member

Commissioners are drawn from the judiciary, legal profession and other professional backgrounds. Commissioners have an equal say in the work of NIJAC and are of equal status.

Section 3 of the Justice (Northern Ireland) Act 2002 describes the constitution of the Commission (Board) as follows:

- The Lord Chief Justice (Chairman)
- a Lord Justice of Appeal
- a Judge of the High Court
- a County Court Judge
- a District Judge (Magistrates' Courts)
- a Lay Magistrate
- a barrister
- a solicitor
- five lay members

## **The Audit and Risk Management Committee**

The Audit and Risk Management Committee (ARMC) will support the Plenary and the Accounting Officer by reviewing the comprehensiveness, reliability and integrity of the assurances provided to the Committee regarding NIJAC's internal controls, risk management processes and governance. This includes financial, operational and compliance controls and the quality and reliability of financial reporting. On the basis of assurances provided to it, the Committee will form an overall view of the state of risk management, governance and internal control in the commission which it will report to the Plenary.

The Committee has four members and meets four times per year. Additional meetings may be convened to discuss particular issues at the request of the Accounting Officer, the Chairman of the ARMC or the Chairman and a member of the ARMC. The meetings are normally attended by a representative from the NIJAC's Internal Audit function, External Audit and the Sponsorship Department.

The ARMC is an advisory body with no executive powers. However, it is authorised by the Plenary to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work and reports received from Internal Audit will be channelled through the Accounting Officer. The ARMC is authorised to obtain independent professional advice if it considers it necessary.

The ARMC will advise the Plenary and Accounting Officer on:

- the strategic process for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of NIJAC, including the process of review of the accounts prior to submission for audit, levels of error identified, and the management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including external audit's Report to Those Charged with Governance;
- assurances relating to the corporate governance requirements for NIJAC;
- proposals for tendering Internal Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes and arrangements for special investigations; and
- the Committee will also periodically review its own effectiveness and report the results of that review to the Plenary.

**Membership as at 31 March 2014**

Mr Lindsay Todd, Lay Member (Chair)

His Honour Judge Kinney, County Court Judge

Professor Nichola Rooney, Lay Member

The Honourable Mr Justice Stephens, High Court Judge

## **The Business Committee**

The Business Committee sits five times a year and consists of four members. The Chair of the Committee reports back to the Plenary at each session.

The Business Committee is responsible for the following:

- the approval of publication of the Business Plan and Corporate Plan;
- ensuring that Annual Report and Accounts are produced and adhere to the Accounts Direction given by the Office of the First and Deputy First Minister in accordance with Paragraph 7 of Schedule 2 of the Justice (Northern Ireland) Act 2002;
- overseeing and monitoring performance against the Business and Corporate Plans. The Business Plan sets out how NIJAC will achieve the objectives contained in the Corporate Plan and outlines how and when these objectives will be delivered and measured;
- the approval of the timetable of meetings for the Plenary, Policy Committee, Audit and Risk Management Committee and Business Committee for the new financial year (1 April – 31 March). To take place at the January meeting of the Committee;
- the approval of the commencement of Appointment Schemes;
- review and approve Business Cases received from the relevant Department for replacements;
- the approval of the membership of panels for Appointment Schemes in consultation with the Chairman of NIJAC;
- the approval and monitoring of the timescales and progress of Appointments and Renewals;
- the approval of the programme of work and priorities for Appointments and Renewals;
- the approval of the Outreach Plans for Appointment Schemes;
- the approval of adhoc projects commissioned for Diversity and Communications;
- the approval of attending or hosting any official visits. When reviewing the Business Case, the resources required (e.g. expense, staff time, etc.), value for money and benefits gained, should be considered;
- taking action on urgent issues when consideration by the Plenary is not practical regarding appropriate issues relating to the work of the Business Committee;

- overseeing and monitoring the use of public funds;
- overseeing and monitoring the adequacy of NIJAC's resources e.g. staffing, facilities, budget, etc;
- ensuring that procedures are in place for the identification and assessment of risk, and those risks impacting on the achievement of NIJAC's objectives are identified and reported on correctly in the Corporate Risk Register;
- monitor those internal policies of NIJAC which do not fall within the remit of the Policy or the Audit and Risk Management Committees;
- oversee and monitor the safekeeping of information;
- ensure business continuity procedures are in place;
- the approval of any Direct Award Contracts over £500; and
- promote the work and role of NIJAC with regard to communications, public relations and information.

#### **Membership as at 31 March 2014**

Mrs Breidge Gadd (Acting Chair)

Mr Eoin Doyle, Lay Magistrate

District Judge (Magistrates' Courts) Rosalie Prytherch

Mr Alastair Rankin, Solicitor, Legal Member

#### **The Policy Committee**

The Policy Committee sits four times a year and consists of six members. The Chair of the Committee reports back to the Plenary at each Plenary session.

The Policy Committee are responsible for:

- developing strategy and programme of work to ensure delivery of the Programme of Action to result, as far as is reasonably practicable to do so, in a range of people reflective of the community being available for consideration for appointment on merit;
- developing an Appointments and Renewals strategy and programme of work to ensure that the associated policies, and assessment and selection methodologies, support best practice approaches to select fairly and on the basis of merit; and
- ensuring appointments and diversity policy, practice and procedure is evaluated and kept under review and improvements proposed and made.

### **Membership as at 31 March 2014**

The Right Honourable Lord Justice Coghlin, Lord Justice of Appeal (Chair)

Mrs Fiona Keenan, Lay Member

His Honour Judge Kinney, County Court Judge

Mr James McNulty QC, Legal Member

Mr Alastair Rankin, Solicitor, Legal Member

Professor Nichola Rooney, Lay Member

At the beginning of each Plenary and Committee meeting, members are asked by the Chair to declare any conflicts or potential conflicts of interest. To allow members to prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed one week before the meeting. When a potential conflict of interest is declared by a member, the remaining members consider the potential conflict and a decision is made to whether the member should step out of the meeting when the agenda item is discussed.

## Attendance at Plenary and Committee Meetings

Members	Plenary (5 in 2013/14, excl. Strategy Day)	Audit & Risk Management Committee (4 in 2013/14)	Business Committee (5 in 2013/14)	Policy Committee (4 in 2013/14)
The Right Honourable Sir Declan Morgan (Chairman)	5 (5)	-	-	-
Mrs Sinéad Burns (appointment expired 14/06/13)	2 (2)	-	1 (1)	-
The Right Honourable Lord Justice Coghlin	5 (5)	-	-	4 (4)
Mr Eoin Doyle (appointed 17/06/13)	1 (1)	-	1 (1)	-
Mr Donal Flanagan OBE (appointment expired 14/06/13)	0 (2)	-	0 (1)	-
Mrs Breidge Gadd	5 (5)	1 (1)	5(5)	-
District Judge (Magistrates' Courts) Amanda Henderson (appointment expired 14/06/13)	2 (2)	0 (1)	-	-
Mrs Fiona Keenan	4 (5)	-	-	4 (4)
His Honour Judge Kinney (appointed 17/06/13)	3 (3)	3 (3)	-	2 (3)
Her Honour Judge Loughran (appointment expired 14/06/13)	2 (2)	0 (1)	1 (1)	-
Mr James McNulty QC	5 (5)	-	1 (1)	4 (4)
District Judge (Magistrates' Courts) Rosalie Prytherch (appointed 17/06/13)	2 (3)	-	4 (4)	-
Mr Alastair Rankin	5 (5)	1 (2)	2 (2)	4 (4)
Professor Nichola Rooney	5 (5)	3 (3)	1 (1)	2 (4)
The Honourable Mr Justice Stephens (appointed 17/06/13)	2 (3)	2 (3)	-	-
Mr Lindsay Todd	4 (5)	4 (4)	2 (2)	-
The Honourable Mr Justice Weatherup (appointment expired 14/06/13)	2 (2)	-	-	1 (1)

*The Committee membership was revised in June 2013 following the appointment of 4 new Commission Members. The figures in brackets denote the number of meetings each Commissioner was eligible to attend.*

## **Board's Performance and Effectiveness**

The Plenary (Board) comprises of 13 members drawn from the judiciary, legal profession and other professional backgrounds. The Chairman is the Lord Chief Justice of Northern Ireland, Sir Declan Morgan.

The judicial members are nominated by the Lord Chief Justice, with each judicial tier represented. The Bar Council of Northern Ireland and Law Society of Northern Ireland nominate one member each to serve on the Commission, and the Commission's five lay members are public appointments; OFMDFM are responsible for their appointment and re-appointment.

Each January, the Business Committee in accordance with its Terms of Reference, approves the timetable of meetings for the Plenary, the Audit and Risk Management Committee, the Business Committee and the Policy Committee for the year commencing 1 April. It is then the responsibility of each Committee to plan its work for the year to allow sufficient time to discharge its responsibilities effectively.

There were 4 new Commission Members appointed on 17 June 2013. A full induction process with training was provided, including attendance at the Public Accountability and Governance course for Board Members course in September 2013, to ensure they were fully functionally on all Committees in which they were assigned to. Assignment to Committees was made by assessing the member's expertise and strengths, and on which Committee this could best be utilised.

Ongoing training is provided to Committee Members to keep members' skills and knowledge up-to-date, and ensure the effectiveness of the Committee on which they sit. The Plenary members took part in an Protecting Information e-learning course in December to refresh their knowledge on information security. Following the revised membership of Committees in June 2013, the new membership of the Audit & Risk Management Committee attended a Public Accountability and Governance course for Audit Committee members in September to ensure they could effectively carry out their role.



Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and papers relating thereto are forwarded to each Committee member, and any person required to attend, no later than a week before the meeting. The timely provision of information is in a form and of a quality that enables the Plenary/Committee to discharge its duties effectively. The Plenary/Committees are content with the quality and content of the papers provided.

The Commission regularly looks at the work of others, including the Judicial Appointment Commission for England and Wales, the Public Appointments Service for Ireland and the Judicial Appointments Board for Scotland, as a way of learning, benchmarking its performance against others and ensuring best practice.

The Plenary assesses its performance, and that of its Committees, on an annual basis. A review of the Scheme of Delegation, Standing Orders and Terms of Reference are included in the 2014-15 Business Plan. A Concordat between Commissioners and staff is also planned for the coming year. Every Committee reports its progress to the Plenary by way of a Committee Chair Update at each meeting. Each Committee presents a report annually to the Plenary, timed to support finalisation of the accounts and summarising its conclusions from work it has done during the year. All Commissioners complete a Board Effectiveness Questionnaire annually and the findings and actions to take forward are presented to the Plenary after the year end by the Board Effectiveness Sub Committee to improve the Plenary's effectiveness.

The Board Effectiveness Sub Committee reported its findings to the Plenary in June 2014. The 2012-13 findings were used as a benchmark for future years. A number of the issues raised in the 2012-13 Board Effectiveness Questionnaires have been resolved or are being addressed in 2014-15 by:

- The new arrangements for Plenary, including involvement of key stakeholders.
- The review of Terms of Reference and the Concordat between Commissioners and staff.
- A revised training schedule for Commissioners and Co-Opted members.

Based on the findings emerging from the Questionnaires, the Board Effectiveness Sub Committee suggested a four-pronged approach to a Board Development Plan:

- Strategic actions - this element would focus on the role of Plenary; identify areas to develop further and finalise strategy.
- Operational actions -this would focus on providing clarity as to the optimal role and responsibilities of the Executive Team
- Interpersonal actions -this would focus on building relationships within the Board.
- Wider actions -this would look at how we might improve external linkages/partnerships and adopt any learned good practices where appropriate.

This was accepted by the Plenary/Board; a draft development plan will be presented at Plenary later in the year.

Each Chair of the Committees gave their annual review of the effectiveness of their Committee for 2013-14 at the June 2014 Plenary. All Chairs were content that their Committees were effective in their work. Details can be found in the Plenary minutes of the 5 June 2014 published on the NIJAC website.

The Chairman of the Commission undertakes a performance review annually of each individual member. This assesses the member's role not only as a member of the Plenary/Committees but also as a Selection Panel Member.

The Corporate Planning, Resources and Governance Team provide secretarial support to the Plenary, the Audit and Risk Management Committee and the Business Committee. The Appointments Team and the Diversity and Communications Team provide secretarial support to the Policy Committee. All three Teams have the appropriate skills and experience to provide the secretarial support required. Each Committee will have access to sufficient resources in order to carry out its duties, this includes the support of the appropriate team, who will be responsible for arranging meetings, drafting agendas in consultation with the Chair, commissioning and circulating papers, maintaining Committee records including taking minutes and undertaking any Committee business that may fall outside meetings.

## Highlights

There have been no issues during the course of the year from Board meetings or reports that suggest that the organisation has been vulnerable in relation to its performance or stewardship of its resources. This can be confirmed through the performance against our Business Plan objectives, while keeping within our budget allocation from OFMDFM. Other assurance mechanisms are through the work and reports from both the Internal and External Audit functions.

For 2013/14 Internal Audit gave an overall Substantial assurance rating to NIJAC. During the year, Internal Audit carried out 3 reviews in accordance with the 2013/14 Internal Audit Plan. The reviews and individual assurance ratings are as follows:

<b>System</b>	<b>Assurance rating *</b>
Appointments	Substantial
Diversity and Communications	Substantial
Purchasing and Procurement	Satisfactory

\*Assurance rating definitions

*Substantial* – There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.

*Satisfactory* – There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.

A Follow up Review in respect of the 2012/13 internal audit reviews was also carried out in September 2013; eleven out of the thirteen recommendations had been fully implemented and the remaining two were due to be fully implemented by their agreed deadline.

## **Corporate Governance**

NIJAC follow the Department of Finance and Personnel (DFP) guidance *Corporate governance in central government departments: Code of good practice NI 2013*, as far as possible in its capacity as a small arms lengths body. As such, it does not comply with the code provisions relating to a Minister, nor have a separate professionally qualified finance director sitting on the Board. Apart from the specific exceptions noted above, I am content NIJAC complies with the principles set out in the Code of Good Practice (NI) 2013.

The Board membership is set down in the Justice (Northern Ireland) Acts 2002 and 2004. The Chairs of each Committee reported to Plenary in June 2014 on the effectiveness of the Committee's effectiveness and their performance in 2013/14. Risk Management is supported fully through the Audit & Risk Management Committee, which reports back to the Board.

Otherwise, in accordance with this code, the Plenary and its other Committees provide the necessary leadership, effectiveness, accountability and sustainability to ensure that NIJAC delivers on its objectives. As Accounting Officer, I also take seriously my responsibilities on the use of public funds that have been provided to NIJAC, to ensure the most effective and efficient use of those funds.

NIJAC has a balanced Board in place, in accordance with the Justice (Northern Ireland) Acts 2002 and 2004, which consist of the Chairman and the Commissioners, who all have equal decision-making rights. As Chief Executive I attend Plenary meetings, together with the Head of Appointments, Head of Diversity & Communications, and Head of Corporate Planning, Resources & Governance, in a non-voting capacity.

## **Internal Control and Risk Management**

NIJAC has appropriate procedures in place to ensure that it has identified its objectives and risks and determined a control strategy for its strategic risks. A corporate approach to risk, involving Commissioners and the Senior Management Team is taken.

The system of internal control 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.

A number of elements contribute to the system of internal control including:

- The Senior Management Team, which exercises authority at a corporate level within NIJAC and comprises the Accounting Officer and Business Managers.
- The Business Committee, which is chaired by a Lay Member, is presented with the Corporate Risk Register at each meeting for review. The Committee met 5 times in 2013-14.
- The Audit and Risk Management Committee, chaired by a Lay Member, met 4 times in 2013-14. The Committee receives reports on internal control and provides oversight in ensuring that appropriate steps are being taken to manage and monitor risks. The Committee approves Internal Audit plans and reviews reports from both Internal and External Auditors. The meetings are also attended by Internal and External Audit, and minutes of the meetings are provided to the Plenary, which comprises the full Commission.
- The Plenary, chaired by the Lord Chief Justice in his role as Chairman of the NIJAC, receives the Corporate Risk Register annually.
- The internal audit function, which is provided by ASM, operates to the Public Sector Internal Audit Standards. Internal Audit submits regular reports to the Audit and Risk Management Committee and to me as Accounting Officer. These include an independent opinion by the Head of Internal Audit on the adequacy, reliability and effectiveness of the Commission's system of risk management, control and governance, together with recommendations for improvement.

- Quarterly Stewardship Statements are produced by the Senior Manager in each team and sent to me as Accounting Officer. These provide me with assurance that risk management processes are effective and operating in line with NIJAC's risk management framework. As Accounting Officer, I submit a quarterly stewardship statement to NIJAC's Sponsoring Department, OFMDFM, and the Audit and Risk Management Committee.

Risk assessment and management is an ongoing process in NIJAC. The key strategic risks are set out in the Corporate Risk Register. The Business Managers are responsible for the risk management within their own team, covering the individual areas of:

- Appointments;
- Corporate Planning, Resources and Governance; and
- Diversity and Communications.

As part of the business planning process, at all levels, the identification and assessment of risk is required when setting business objectives; these risks are formally reported in the Corporate Risk Register. Risks are assessed in terms of their probability of occurrence and impact on the achievement of objectives, and scored and reported on accordingly.

NIJAC's Risk Management Handbook is used to manage risks that may affect the achievement of business objectives. It outlines the respective roles and responsibilities of the Accounting Officer, the Senior Management Team, Internal Audit, the Audit and Risk Management Committee and all staff.

NIJAC has ensured that procedures are in place for verifying that risk management and internal control are regularly reviewed, challenged, and reported on. The Risk Register is formally reviewed and updated quarterly at Senior Management Team meetings, reviewed at each meeting of the Business Committee and the Audit and Risk Management Committee, and reviewed annually at the Plenary meeting.

NIJAC has a low to medium risk appetite, that is, NIJAC are prepared to accept, tolerate or be exposed to a low to medium level of risk at any point in time.

There were no new risks on the Risk Register in 2013-14.

Risks to information are managed and controlled as part of the Risk Management Process. The Information Risk Policy supplements our corporate approach to risk management and encourages staff and managers to consider information as assets, supported by the compilation of Information Asset Registers. As Accounting Officer, I have assumed the role of Senior Information Risk Owner for NIJAC. There have been no known incidents of personal data loss for the year to 31 March 2014.

A handwritten signature in black ink, appearing to read 'Mandy Kilpatrick', written in a cursive style.

**Mandy Kilpatrick**  
**Accounting Officer**  
**15 September 2014**

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

I certify that I have audited the financial statements of the Northern Ireland Judicial Appointments Commission for the year ended 31 March 2014 under the Justice (Northern Ireland) Act 2002 as amended. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

As explained more fully in the Statement of the Northern Ireland Judicial Appointments Commission's and Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.



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

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

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

## **Opinion on regularity**

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

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Judicial Appointments Commission's affairs as at 31 March 2014 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended and the Office of the First Minister and Deputy First Minister's directions issued thereunder.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Office of the First Minister and Deputy First Minister's directions made under the Justice (Northern Ireland) Act 2002 as amended; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

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

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

## **Report**

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "K J Donnelly". The signature is written in a cursive style with a long horizontal stroke at the end.

**KJ Donnelly**

**Comptroller and Auditor General**

**Northern Ireland Audit Office**

**106 University Street**

**Belfast**

**BT7 1EU**

**18 September 2014**

**NORTHERN IRELAND JUDICIAL  
APPOINTMENTS COMMISSION**

**ACCOUNTS**

**2013-14**

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2014

		Year ended 31/03/14	Year ended 31/03/13
		£	£
	Note		
<b>Expenditure</b>			
Staff costs	4	732,437	755,316
Depreciation, amortisation and revaluation	5	12,754	16,694
Other Expenditure	5	624,270	538,874
		<u>1,369,461</u>	<u>1,310,884</u>
<b>Income</b>			
Other Income	3	<u>(139,387)</u>	<u>(579)</u>
<b>Net Expenditure transferred to Taxpayers' equity</b>		<u>1,230,074</u>	<u>1,310,305</u>

All operations are continuing.

### Other Comprehensive Net Expenditure

Items that will not be reclassified to net operating costs:

		Year ended 31/03/14	Year ended 31/03/13
		£	£
	Note		
Net (gain)/loss on revaluation of Intangibles	7	612	(2,000)
<b>Total Comprehensive Net Expenditure for the year ended 31 March</b>		<u>1,230,686</u>	<u>1,308,305</u>

The notes on pages 72 to 91 form part of the accounts

# Statement of Financial Position

as at 31 March 2014

		31 March 2014		31 March 2013	
		£	£	£	£
	<b>Note</b>				
<b>Non-current assets:</b>					
Property, plant and equipment	6	5,354		10,919	
Intangible assets	7	<u>861</u>		<u>8,428</u>	
<b>Total non-current assets</b>			<b>6,215</b>		<b>19,347</b>
<b>Current assets:</b>					
Trade and other receivables	9	29,543		16,571	
Cash and cash equivalents	10	<u>48,217</u>		<u>24,430</u>	
<b>Total current assets</b>			<b>77,760</b>		<b>41,001</b>
<b>Total assets</b>			<b>83,975</b>		<b>60,348</b>
<b>Current liabilities</b>					
Trade and other payables	11	<u>(146,575)</u>		<u>(133,588)</u>	
<b>Total current liabilities</b>			<b>(146,575)</b>		<b>(133,588)</b>
<b>Non-current assets plus net current assets less current liabilities</b>			<b>(62,600)</b>		<b>(73,240)</b>
<b>Assets less liabilities</b>			<b>(62,600)</b>		<b>(73,240)</b>
<b>Taxpayers' equity</b>					
Revaluation reserve			1,388		2,000
General reserve			<u>(63,988)</u>		<u>(75,240)</u>
			<b>(62,600)</b>		<b>(73,240)</b>

The financial statements on pages 67 to 91 were approved by the Plenary on 1 September 2014 and were signed on its behalf by:



**Mandy Kilpatrick**  
**Chief Executive**  
**15 September 2014**

The notes on pages 72 to 91 form part of the accounts

## Statement of Cash Flows

for the year ended 31 March 2014

		Year ended 31/03/14	Year ended 31/03/13
		£	£
	Note		
<b>Cash flows from operating activities</b>			
Net Expenditure		(1,230,074)	(1,310,305)
Adjustments for non-cash transactions		12,754	16,694
(Increase)/decrease in trade and other receivables	9	(12,972)	4,758
Increase/(decrease) in trade and other payables	11	12,987	(11,813)
<b>Net cash outflow from operating activities</b>		<b><u>(1,217,305)</u></b>	<b><u>(1,300,666)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	-	(2,394)
Purchase of intangible assets	7	(234)	(1,560)
<b>Net cash outflow from investing activities</b>		<b><u>(234)</u></b>	<b><u>(3,954)</u></b>
<b>Cash flows from financing activities</b>			
Grants from sponsoring department		1,241,326	1,307,291
<b>Net financing</b>		<b><u>1,241,326</u></b>	<b><u>1,307,291</u></b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b><u>23,787</u></b>	<b><u>2,671</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b><u>24,430</u></b>	<b><u>21,759</u></b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b><u>48,217</u></b>	<b><u>24,430</u></b>

The notes on pages 72 to 91 form part of the accounts

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2014

	General Reserve £	Revaluation Reserve £	Total Reserves £
<b>Balance at 1 April 2012</b>	<b>(72,226)</b>	-	<b>(72,226)</b>
Grants from Sponsoring Entity	1,307,291	-	1,307,291
Transfers between reserves	-	-	-
Comprehensive Expenditure for the year	<u>(1,310,305)</u>	<u>2,000</u>	<u>(1,308,305)</u>
<b>Movements in Reserves</b>	<u>(3,014)</u>	<u>2,000</u>	<u>(1,014)</u>
<b>Balance at 31 March 2013</b>	<b>(75,240)</b>	<b>2,000</b>	<b>(73,240)</b>
<b>Changes in taxpayers' equity for 2013-14</b>			
Grants from Sponsoring Entity	1,241,326	-	1,241,326
Transfers between reserves	-	-	-
Comprehensive Expenditure for the year	<u>(1,230,074)</u>	<u>(612)</u>	<u>(1,230,686)</u>
<b>Movements in Reserves</b>	<u>11,252</u>	<u>(612)</u>	<u>10,640</u>
<b>Balance at 31 March 2014</b>	<b>(63,988)</b>	<b>1,388</b>	<b>(62,600)</b>

The notes on pages 72 to 91 form part of the accounts



# Notes to the Financial Statements

## 1.0 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2013-14 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NIJAC for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIJAC are described below. They have been applied consistently in dealing with items considered material to the accounts.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of intangible assets.

### 1.2 Property, Plant and Equipment

Property, plant and equipment comprises of plant and equipment, furniture and fittings, and information technology.

Expenditure on property, plant and equipment of £1,000 or more is capitalised. For furniture and fittings the individual assets are recorded on a pooled basis.

On initial recognition, assets are measured at cost, including any costs such as installation, directly attributable to bringing them into working condition.

All property, plant and equipment are reviewed annually for impairment. As permitted by the FReM, NIJAC has adopted the depreciated historical cost basis as a proxy for fair value where non-property operational assets are deemed to be short-life or low value assets.

All non-property operational assets are deemed to be short-life or low value assets and are therefore valued on the basis of depreciated replacement cost as an approximation of value using the alternative costing method.

Property, plant and equipment were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

All expenditure on repairs and maintenance is charged to the Statement of Comprehensive Net Expenditure during the financial year in which it is incurred.

### **1.3 Intangible assets**

Expenditure on intangible assets which includes software, software licences, and the associated costs of implementation is capitalised where the cost is £1,000 or more.

Intangible assets are reviewed annually for impairment, and restated to current value each year by reference to Office of National Statistics (ONS) indices. The indices were obtained from ONS MM22 Producer Price Indices as at March 2014. Assets are not indexed in the year of acquisition.

## **1.4 Depreciation and Amortisation**

Property, plant, and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation is charged in the month of acquisition.

Intangible assets are amortised over the shorter of the term of the licence and the useful economic life.

Useful lives are normally in the following ranges:

Plant and Equipment	5-10 years
Furniture and Fittings	5-10 years
Information Technology	3 years
Intangible Assets	3 years

The residual values of assets are reviewed on an annual basis.

Additions to non-current assets will be depreciated from the month of acquisition where material. Disposals from non-current assets will not be depreciated in the month of disposal.

## **1.5 Inventories**

Consumable inventories are not considered material and are charged to the Statement of Comprehensive Net Expenditure in the year of purchase.

## **1.6 Income**

Income consists of recharges for rent, rates, and other premises costs for the sharing of Headline Building with the Commission for Victims and Survivors Northern Ireland (CVSNI). Grant in aid funding received from OFMDFM is treated as a movement in the General Fund.

## **1.7 Operating leases**

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. There were no operating leases held during the year.

## **1.8 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described in Note 4. The defined benefit schemes are unfunded and are non-contributory, except in respect of dependants' benefits. NIJAC recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, NIJAC recognises the contributions payable for the year.

## **1.9 Value Added Tax**

NIJAC is ineligible to reclaim input Value Added Tax (VAT) on expenditure. Therefore, all expenditure is inclusive of VAT.

## **1.10 Provisions**

NIJAC provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms (2012-13: 2.2%). No provisions were necessary for 2013-14.

## **1.11 Contingent Liabilities**

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts.

## **1.12 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

NIJAC does not hold any complex financial instruments. The majority of financial instruments relate to contracts for non-financial items in line with NIJAC's expected purchase and usage requirements; NIJAC is therefore exposed to little credit, liquidity or market risk.

NIJAC has financial instruments in the form of trade receivables and payables, and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are non-derivative non-current assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

NIJAC assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

NIJAC also has financial instruments in the form of trade payables that are classified in accordance with IAS 39 as 'other financial liabilities'. These are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

### **1.13 Employee Benefits**

Under the requirements of IAS 19 *Employee Benefits*, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any annual and flexi leave entitlements that have been earned at the year end but not yet taken. The cost of untaken annual and flexi leave has been determined by using actual salary costs and the data from staff leave returns at 31 March. It is not anticipated that the level of untaken leave will vary significantly from year to year.

### **1.14 Estimate techniques used 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 NIJAC's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

- ***Depreciation of property, plant and equipment, and amortisation of intangible assets.***

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

## 2. Statement of Operating Costs by Operating Segment

The organisation's operating structure has been reviewed to identify if there are any business activities which are unconnected and thus separate segments as defined by IFRS 8 *Operating Segments*. NIJAC does not generate any income streams; any income disclosed in the accounts relates to rechargeable expenses as a result of the shared occupancy of the building 2013-14: £139,387 (2012-13: £579).

NIJAC's one overall objective is to '*Select the best applicants and promote diversity*'; all expense generating activities are interlinked and cannot operate in isolation, therefore the Chief Executive Officer in her role as Accounting Officer and Chief Operating Decision Maker (CODM) does not consider there to be separate segments within the organisation.

Financial information is reported to the CODM, the Plenary, the Business Committee, the Audit and Risk Management Committee and OFMDFM, for the organisation as a whole, no part of the organisation is reported on separately. The budget is bid for, allocated and managed for NIJAC as a whole; there are no budget allocations to a specific area as a separate segment.

## 3. Income

	Year ended 31/03/14 £	Year ended 31/03/13 £
Reimbursement of costs	139,387	579
<b>Total Income</b>	<b>139,387</b>	<b>579</b>



#### 4. Staff numbers and related costs

Staff costs comprise:

	Permanently employed staff £	Inward seconded staff * £	Agency staff £	Commission members £	Year ended 31/03/14 Total £	Year ended 31/03/13 Total £
<b>Direct Staff</b>						
Wages and salaries	191,257	345,075	21,547	37,989	595,868	621,337
Social security costs	16,530	21,365	-	2,224	40,119	39,078
Other pension costs	42,389	54,061	-	-	96,450	94,901
<b>Total costs</b>	<b>250,176</b>	<b>420,501</b>	<b>21,547</b>	<b>40,213</b>	<b>732,437</b>	<b>755,316</b>

\* Inward seconded staff wages and salaries cost includes £70,094 (2012-13: £57,729) relating to VAT.

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) is an unfunded multi-employer defined benefit scheme but the Northern Ireland Judicial Appointments Commission is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010. The pension scheme liability reported in the DFP Superannuation and Other Allowance Resource Accounts last year was as at 31 March 2010, however, work is ongoing to provide a report on an updated valuation as at 31 March 2012 for the basis of the actuarial valuation rolled forward to the reporting date of the DFP Superannuation and Other Resource Accounts for 2014.

For 2013-14, employers' contributions of £42,389 were payable to the PCSPS (NI) (2012-13: £50,901) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2014-15, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Employers' contributions were paid to one or more of the three appointed stakeholder pension providers in 2013-14 (2012-13: Nil). Employer contributions are age-related and range from 3% to 12.5% (2012-13: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% (2012-13: 0.8%) of pensionable pay, are payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees; no contributions were made in 2013-14 (2012-13: Nil).

Contributions due to the **partnership** pension providers at the reporting period date were Nil. Contributions prepaid at that date were Nil.

No persons (2013-14: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to Nil (2012-13: Nil).

## Average number of persons employed

The average number of whole-time equivalent persons employed (including senior management, but excluding Commission members) during the period was as follows:

Number	Year ended 31/03/14			Year ended 31/03/13
	Permanent staff	Seconded staff	Agency staff	Total
Chief Executive	1	-	-	1
Corporate Planning, Resources and Governance Team	-	3	-	4
Appointments and Policy Team	2	4	1	7
Diversity and Communications Team	2	1	-	4
<b>Total</b>	<b>5</b>	<b>8</b>	<b>1</b>	<b>14</b>
				<b>16</b>

## 4.1 Reporting of Civil Service and other compensation schemes – exit packages

There are no Civil Service and other compensation schemes exit packages to report in 2013-14 (2012-13: Nil).

## 5. Other Expenditure

	Year ended 31/03/14 £	Year ended 31/03/13 £
<b>Other operating costs</b>		
Accommodation costs	232,945	219,745
Security costs	69,950	64,918
Maintenance	55,463	35,241
Other scheme costs	44,811	29,101
Scheme advertising	44,402	56,356
Heat and light	33,179	27,926
IT services	32,489	39,438
Other costs	27,977	29,722
Staff training	24,271	5,595
Printing, design and stationery	20,230	17,605
Managed services*	18,086	(8,476)
Auditors' remuneration	10,737	11,134
Other services	7,404	7,817
Consultancy services	2,326	2,752
<b>Total</b>	<b>624,270</b>	<b>538,874</b>

\* The negative balance in Managed Services is due to an over accrual for legal fees at 31 March 2012. The invoice was received during 2012-13.

### Non-cash items

Amortisation	7,189	9,089
Depreciation	5,565	7,605
<b>Total</b>	<b>12,754</b>	<b>16,694</b>

## 6. Property, plant and equipment

	Plant and Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2013	10,784	3,768	17,716	32,268
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2014</b>	<b>10,784</b>	<b>3,768</b>	<b>17,716</b>	<b>32,268</b>
<b>Depreciation</b>				
At 1 April 2013	4,578	2,195	14,576	21,349
Charged in year	2,048	377	3,140	5,565
Disposals	-	-	-	-
<b>At 31 March 2014</b>	<b>6,626</b>	<b>2,572</b>	<b>17,716</b>	<b>26,914</b>
<b>Carrying amount at 31 March 2014</b>	<b>4,158</b>	<b>1,196</b>	<b>-</b>	<b>5,354</b>
<b>Carrying amount at 31 March 2013</b>	<b>6,206</b>	<b>1,573</b>	<b>3,140</b>	<b>10,919</b>
<b>Asset financing:</b>				
Owned	4,158	1,196	-	5,354
Finance Leased	-	-	-	-
<b>Carrying amount at 31 March 2014</b>	<b>4,158</b>	<b>1,196</b>	<b>-</b>	<b>5,354</b>

	Plant and Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2012	8,390	3,768	17,716	29,874
Additions	2,394	-	-	2,394
Disposals	-	-	-	-
<b>At 31 March 2013</b>	<b>10,784</b>	<b>3,768</b>	<b>17,716</b>	<b>32,268</b>
<b>Depreciation</b>				
At 1 April 2012	2,733	1,818	9,193	13,744
Charged in year	1,845	377	5,383	7,605
Disposals	-	-	-	-
<b>At 31 March 2013</b>	<b>4,578</b>	<b>2,195</b>	<b>14,576</b>	<b>21,349</b>
<b>Carrying amount at 31 March 2013</b>	<b>6,206</b>	<b>1,573</b>	<b>3,140</b>	<b>10,919</b>
<b>Carrying amount at 31 March 2012</b>	<b>5,657</b>	<b>1,950</b>	<b>8,523</b>	<b>16,130</b>
<b>Asset financing:</b>				
Owned	6,206	1,573	3,140	10,919
Finance Leased	-	-	-	-
<b>Carrying amount at 31 March 2013</b>	<b>6,206</b>	<b>1,573</b>	<b>3,140</b>	<b>10,919</b>

## 7. Intangible assets

Intangible assets comprise of software and associated implementation costs.

	Total £
<b>Cost or valuation</b>	
At 1 April 2013	33,127
Additions	234
Disposals	-
Revaluations	(1,793)
<b>At 31 March 2014</b>	<b><u>31,568</u></b>
<b>Amortisation</b>	
At 1 April 2013	24,699
Charged in year	7,189
Disposals	-
Revaluations	(1,181)
<b>At 31 March 2014</b>	<b><u>30,707</u></b>
<b>Carrying amount at 31 March 2014</b>	<b><u>861</u></b>
<b>Carrying amount at 31 March 2013</b>	<b><u>8,428</u></b>
<b>Asset financing:</b>	
Owned	861
Finance Leased	-
<b>Carrying amount at 31 March 2014</b>	<b><u>861</u></b>
	Total £
<b>Cost or valuation</b>	
At 1 April 2012	28,054
Additions	1,560
Disposals	-
Revaluations	3,513
<b>At 31 March 2013</b>	<b><u>33,127</u></b>
<b>Amortisation</b>	
At 1 April 2012	14,097
Charged in year	9,089
Disposals	-
Revaluations	1,513
<b>At 31 March 2013</b>	<b><u>24,699</u></b>
<b>Carrying amount at 31 March 2013</b>	<b><u>8,428</u></b>
<b>Carrying amount at 31 March 2012</b>	<b><u>13,957</u></b>
<b>Asset financing:</b>	
Owned	8,428
Finance Leased	-
<b>Carrying amount at 31 March 2014</b>	<b><u>8,428</u></b>

## 8 Impairments

There has been no write-off of impaired property, plant and equipment during 2013–14.

All downward movements in the revaluation of Intangible Assets, as a result of market fluctuations, are accounted for through the revaluation reserve to the extent that there is a credit in that reserve that relates to the assets.

## 9 Trade receivables and other current assets

### 9(a) Analysis by type

	31/03/14	31/03/13
	£	£
<b>Amounts falling due within one year:</b>		
Trade receivables	2,215	-
Other receivables	368	74
Prepayments and accrued income	26,960	16,497
<b>Total</b>	<b>29,543</b>	<b>16,571</b>

There are no trade receivables or other current asset amounts falling due after more than one year.

### 9(b) Intra-Government Receivable Balances

	Amounts falling due within one year	
	31/03/14	31/03/13
	£	£
Balances with other central government bodies	9,001	38
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Sub-total: intra-government balances</b>	<b>9,001</b>	<b>38</b>
Balances with bodies external to government	20,542	16,533
<b>Total receivables at 31 March</b>	<b>29,543</b>	<b>16,571</b>

## 10. Cash and cash equivalents

	31/03/14	31/03/13
	£	£
Balance at 1 April	24,430	21,759
Net change in cash and cash equivalent balances	<u>23,787</u>	<u>2,671</u>
<b>Balance at 31 March</b>	<b><u>48,217</u></b>	<b><u>24,430</u></b>

The following balances at 31 March were held at:

Commercial banks and cash in hand	<u>48,217</u>	<u>24,430</u>
<b>Balance at 31 March</b>	<b><u>48,217</u></b>	<b><u>24,430</u></b>

## 11. Trade payables and other current liabilities

### 11(a) Analysis by type

	31/03/14	31/03/13
	£	£
<b>Amounts falling due within one year:</b>		
Trade payables	18,867	81,148
Accruals and deferred income	127,708	52,440
<b>Total</b>	<b><u>146,575</u></b>	<b><u>133,588</u></b>

There are no trade payables or other current liabilities falling due after more than one year.

### 11(b) Intra-Government Payable Balances

	Amounts falling due within one year	
	31/03/14	31/03/13
	£	£
Balances with other central government bodies	113,259	99,882
Balances with local authorities	3,494	42
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Sub-total: intra-government balances</b>	<b><u>116,753</u></b>	<b><u>99,924</u></b>
Balances with bodies external to government	29,822	33,664
<b>Total payables at 31 March</b>	<b><u>146,575</u></b>	<b><u>133,588</u></b>

## **12. Provisions for liabilities and charges**

There are no provisions for liabilities and charges during 2013-14.

## **13. Capital commitments**

There are no contracted capital commitments at 31 March 2014 for which no provision has been made.

## **14. Commitments under leases**

### ***14.1 Operating leases***

NIJAC make use of premises and equipment where the operating lease is held by the Office of the First Minister and Deputy First Minister (OFMDFM). NIJAC are invoiced directly by the lessor for the lease of the premises and equipment held by OFMDFM; NIJAC does not have any future commitments in respect of these leases.

The lease of Headline Building was signed on 14 December 2012 for a further 15 years by the Department of Finance and Personnel (DFP) on behalf of OFMDFM; the lease was back-dated to 7 January 2012.

NIJAC holds no operating leases in its own name.

### ***14.2 Finance leases***

NIJAC had no finance leases operating during the year.

## **15. Other financial commitments**

There are no contracted non-capital commitments at 31 March 2014 for which no provision has been made.



## **16. Financial instruments**

IFRS 7 *Financial Instruments: Disclosures* requires NIJAC to provide disclosure that enables evaluation of the significance of financial instruments for NIJAC's financial position and performance, and the nature and extent of risks arising from financial instruments to which NIJAC is exposed during the period and at the reporting date, and how NIJAC manages those risks. Due to the largely non-trading nature of NIJAC's activities and the way in which executive non-departmental bodies are financed, NIJAC is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

NIJAC has no powers to borrow or invest surplus funds and except for relatively insignificant purchases of foreign currency, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing NIJAC in undertaking its activities.

### **Classification of financial instruments**

NIJAC's financial assets are classified as trade receivables and other current assets (Note 9) and cash and cash equivalents (Note 10). NIJAC's financial liabilities are trade payables and other current liabilities (Note 11). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. All financial instruments held by NIJAC are non-interest bearing.

## **Risk Management**

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. NIJAC is not exposed to significant credit risk and manages its exposure through its procurement policy. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables and other current assets carried in the Statement of Financial Position.

### **Liquidity risk**

NIJAC was financed by grant in aid from OFMDFM. NIJAC is not, therefore, exposed to significant liquidity risks.

### **Currency Risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

NIJAC drew down grant in aid from OFMDFM in sterling. The majority of payments made and received by NIJAC are in sterling. Foreign currency income and expenditure is negligible. NIJAC is not therefore exposed to currency risk.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of NIJAC's financial assets and liabilities are non-interest bearing. NIJAC is therefore not exposed to any interest rate risk.

## Fair values

Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows would have been discounted by the HM Treasury discount rate of 2.20 per cent in real terms if found to be material. No balances have been discounted for 2013-14.

## 17. Contingent liabilities

As at 31 March 2014, NIJAC did not have any contingent liabilities, which require to be disclosed under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

## 18. Losses and special payments

### 18 (a) Losses Statement

	31/03/14		31/03/13	
	Number	£	Number	£
Total Losses under £250,000	10	325	5	1,058
Total Losses over £250,000	-	-	-	-

### 18 (b) Special Payments

There were no special payments made during the year.

## 19. Related-party transactions

NIJAC is a non-departmental public body sponsored by OFMDFM; NIJAC have had material transactions in the form of Grant in Aid with OFMDFM.

NIJAC have had material transactions in the form of recharges for the sharing of Headline Building with the Commission for Victims and Survivors Northern Ireland (CVSNI), the recharges are for rent, rates, and other premises costs.

NIJAC second staff from the Northern Ireland Courts and Tribunals Service (NICTS), the Department for Social Development (DSD), the Department for Employment and Learning (DEL), the Department for Finance and Personnel (DFP) and the Belfast City Council (BCC).

OFMDFM, CVSNI, NICTS, DSD, DEL, DFP and BCC are regarded as related parties.

None of the Commission members, members of key management staff or other related parties have undertaken any material transactions with NIJAC during the year.

## **20. Third-party assets**

NIJAC do not hold any third-party assets.

## **21. Prior year adjustments**

There are no prior year adjustments in the year ended 31 March 2014.

## **22. Events after the Reporting Period**

There were no material events post Statement of Financial Position for the year ended 31 March 2014.

### **Date of authorisation for issue**

The Accounting Officer, Mrs Mandy Kilpatrick, authorised the issue of these financial statements on 18 September 2014.

## **Contact NIJAC**

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