

Criminal Justice Inspection
Northern Ireland
a better justice system for all



ANNUAL REPORT & ACCOUNTS 2019-20

A BETTER JUSTICE SYSTEM FOR ALL

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 MARCH 2020

The Annual Report is laid before the Northern Ireland Assembly under paragraph 4 of Schedule 8 to the Justice (Northern Ireland) Act 2002 (as amended by paragraph 24(5) of Schedule 13 to the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010) by the Department of Justice.

The Statement of Accounts and Report of the Comptroller and Auditor General is laid before the Northern Ireland Assembly under paragraph 6 of Schedule 8 to the Justice (Northern Ireland) Act 2002 (as amended by paragraph 24(7) of Schedule 13 to the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010) by the Comptroller and Auditor General for Northern Ireland

on

12 November 2020.

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Annual Report and Accounts

for the year ended 31 March 2020

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A BETTER JUSTICE SYSTEM FOR ALL

PERFORMANCE REPORT

OVERVIEW

The purpose of this overview is to provide information on Criminal Justice Inspection Northern Ireland (CJI) to ensure the remit and purpose of the Inspectorate is understood.

It outlines the principal business objectives in place during the 2019-20 financial year and highlights the key risks identified in-year by CJI to achieving these objectives. It also provides a summary of the Inspectorate's performance during this reporting period.

Due to the impact of the Coronavirus Covid-19 pandemic an addendum to the Government Financial Reporting Manual was issued by HM Treasury which set out the minimum reporting requirements for 2019-20 only.

This addendum permits CJI to omit information normally included within its Annual Report and Accounts that is not subject to audit or where the information has already been published and reported elsewhere.



JACQUI DURKIN

Chief Inspector of Criminal Justice
in Northern Ireland

STATEMENT BY THE CHIEF INSPECTOR

This is my first statement as Chief Inspector, following my appointment in November 2019.

It provides me with an opportunity to thank my predecessor, Brendan McGuigan CBE, for his years of dedicated leadership of Criminal Justice Inspection and unstinting commitment to improving the criminal justice system in Northern Ireland.

Dr Stephen Dolan, one of our experienced Inspectors, retired from CJI this year and the team is grateful for Stephen's expertise, support and good humour!

January 2020 saw the welcome return of the Northern Ireland Executive, the Assembly and a Minister of Justice, Naomi Long MLA. The Deputy Chief Inspector, James Corrigan, and I attended the Justice Committee in March 2020 to give an overview of the work of CJI and inspection programme priorities.

The Minister set out her priorities at an early stage, some of which mirror past inspection activity and agreed recommendations. I am looking forward to a legislative programme and policy and service reform that progress the implementation of past CJI recommendations and much needed transformational change.

During the year the second and third inspections on the public protection theme were completed with the publication of '*No Excuse*' - a review of the criminal justice system's handling of domestic violence and abuse cases and '*Lawful Duty*' - a review of the public protection arrangements.

'*No Excuse*' had some important findings about the investigation and prosecution of cases involving domestic violence and abuse and how better support for victims and witnesses is much needed. It is encouraging that the Minister of Justice has acted swiftly and the Domestic Abuse and Family Proceedings Bill is now at Committee stage in the Northern Ireland Assembly.

The '*Lawful Duty*' report noted the positive developments and progress made by the Public Protections Arrangements Northern Ireland (PPANI) involving key partners working well together to manage risks and keep people safe against a backdrop of growing numbers of offenders requiring supervision.

It is vital that the public have confidence in the PPANI and know that offenders are being managed effectively on release from custody. This report made important recommendations for improvement, including better sharing of information securely.

The Safety of Prisoners inspection was also an important inspection that highlighted the need for more effective joint governance and working between the Northern Ireland Prison Service and the South Eastern Health and Social Care Trust. An effective Violence Reduction and Anti-bullying strategy was also emphasised and reflected in strategic recommendations.

Inspections in Ash House and Hydebank Wood Secure College prisons on the Hydebank Wood site were undertaken in partnership with Her Majesty's Inspectorate of Prisons, the Regulation and Quality Improvement Authority and the Education and Training Inspectorate. These prison inspections demonstrate the value in reviewing all aspects of prison life against the healthy prisons tests and the reports were being finalised with partner Inspectorates by the end of this financial year.

This year also saw the completion of reviews and publication of two reports related to Department of Justice requests. The report on Disclosure had some stark messages about the relationship between, and the provision of historical material from, the Police Service of Northern Ireland to the Office of the Police Ombudsman for Northern Ireland. The implementation of report recommendations will be important to repair public confidence, not least the confidence of victims and bereaved families, and ensure a better working

relationship between these two organisations in the future.

The Base 2 report was also important in addressing some myths about the operation of a project that was designed to keep people safe and, unfortunately, its services are still much in demand.

Of course the latter stage of this financial year saw the beginning of very changed circumstances with the Coronavirus Covid-19 pandemic. The benefits of remote secure IT access meant we were able to quickly establish home working for the whole team and maintain inspection progress and report publication.

This has meant new challenges for establishing, building and maintaining working relationships with criminal justice organisations and our wide range of stakeholders. However, I am particularly pleased that the development of a new three-year Corporate Plan and annual Business Plan and Inspection Programme, with themes based on supporting our vision of a better justice system for all, was able to progress and was published with the Minister's approval.

Finally, I would like to thank James and the entire CJI team for their work throughout this financial year and their welcome and support in my first months as Chief Inspector.



JACQUI DURKIN
Chief Inspector of Criminal Justice
in Northern Ireland

20 October 2020

A BETTER JUSTICE SYSTEM FOR ALL

PURPOSE AND ACTIVITIES OF CJI

As Chief Executive and Accounting Officer, I am pleased to present the Annual Report and Accounts for the financial year ended 31 March 2020.

Background information

The Office of the Chief Inspector of Criminal Justice in Northern Ireland was established as an Executive Non-Departmental Public Body (NDPB) under s.45 of the Justice (Northern Ireland) Act 2002.

The first Chief Inspector was appointed by the Secretary of State for Northern Ireland in August 2003, to inspect or ensure the inspection of all aspects of the criminal justice system. The courts administration was initially omitted from the organisation's inspection remit but was added following legislative change in 2007. CJI became operational in October 2004 and from that time, it conducted a programme of inspections which were agreed annually with the Secretary of State for Northern Ireland.

Following the devolution of policing and justice matters on 12 April 2010, responsibility for agreeing CJI's inspection programme passed to the locally-elected Minister of Justice. At this time, CJI became an Executive NDPB of the Department of Justice (DoJ). During 2019-20 CJI's formal accountability was to the Permanent Secretary of the DoJ in the absence of a locally appointed Minister of Justice until the Northern Ireland Executive was re-established on 10 January 2020 and a new Minister of Justice appointed.



JAMES CORRIGAN

Chief Executive and Accounting Officer

Remit of CJI

CJI has a remit to inspect a wide variety of organisations and bodies under s.46 of the Justice (Northern Ireland) Act 2002, and s.45 of the Justice and Security (Northern Ireland) Act 2007, as amended by Schedule 13 to the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

Inspections must be carried out by CJI in relation to these bodies or organisations, unless the Inspectorate is satisfied they are subject to a satisfactory inspection regime.

Organisations which fall within CJI's remit include:

- the Police Service of Northern Ireland (PSNI);
- the Public Prosecution Service for Northern Ireland (PPS);
- the Northern Ireland Prison Service (NIPS);
- the Probation Board for Northern Ireland (PBNI);
- the Youth Justice Agency (YJA);
- the Northern Ireland Courts and Tribunals Service (NICTS);
- the Office of the Police Ombudsman for Northern Ireland (OPONI);
- Forensic Science Northern Ireland (FSNI);
- the State Pathologist's Department;
- the Legal Services Agency Northern Ireland (LSANI);
- the Parole Commissioners for Northern Ireland; and
- community-based restorative justice schemes.

The remit of the Inspectorate however is wider than these core organisations. It includes other organisations and bodies with a regulatory or prosecutorial role that engage with the criminal justice system to a greater or lesser degree. They include:

- the Department of Agriculture, Environment and Rural Affairs (DAERA);
- the Child Maintenance and Enforcement Division;
- the Health and Social Care Board and Trusts (HSCB/HSCTs);
- the Department for the Economy (DfE);
- the Health and Safety Executive for Northern Ireland (HSENI);

- the Department for Communities (DfC) (Benefit Fraud);
- Royal Mail Group;
- Belfast International Airport Ltd (BIA);
- Belfast Harbour Commissioners; and
- Larne Harbour Ltd.

CJI's vision, values and approach

Our vision is for *'a better justice system for all.'* We are focussed on ensuring the vulnerable are protected, strategy, governance and delivery can meet the challenges and outcomes lead to effective services and increased public confidence for the benefit of everyone.

This vision requires the collaboration of all agencies and organisations within the criminal justice system to bring it about. It involves working with the voluntary, community and social enterprise sector, politicians and Government to support the development of meaningful partnerships which will deliver for the community.

It also involves looking beyond the criminal justice system when required. This can involve identifying where intervention and diversion away from the formal criminal justice system in partnership with education, training and health care providers, may secure better outcomes for society as a whole.

OUR ORGANISATIONAL VALUES

INDEPENDENCE

IMPARTIALITY

HONESTY

INTEGRITY

RESPECT

OPENNESS

ROBUSTNESS

Our approach

We are committed to working with the inspected organisations in a professional, mature way to produce relevant inspection reports that contain strategic and operational recommendations which focus on achieving meaningful change.

We will achieve this by:



maintaining our organisational values;



communicating clearly, frankly and openly with those we are inspecting and working with;



producing reports which are balanced, objective and evidence-based;



listening to all interested parties;



taking account of sensitive issues;



benchmarking and identifying innovative practice found in other jurisdictions;



pursuing excellence;



identifying and sharing good practice found within the criminal justice system; and



when necessary, supporting organisations to achieve accepted inspection recommendations and implement change.

Corporate ethos

CJI aims to manage itself according to best principles. It aims to be a good employer but a disciplined one. Although the terms and conditions of staff members are broadly aligned with those of the Northern Ireland Civil Service (NICS), the culture of the organisation is modelled on a modern, knowledge-based business.

CJI endeavours to make a positive contribution to the justice system and the wider community by promoting staff wellbeing, conducting its business in a way that promotes equality and through consulting widely in relation to the development of the annual Inspection Programme.

Staff members are expected to comply with the standards of conduct laid down by s.4 of the Civil Service Management Code and the NICS Standards and Conduct guidance which sets out in detail the rules governing confidentiality, acceptance of outside appointments and involvement in political activities. Staff members are expected to adhere to the ethics and principles outlined in the NICS Code of Ethics.

CJI's method of working

Inspections are evidence-led and identified on a risk based approach. They are undertaken in line with CJI's published Inspection Programme for each financial year, although CJI retains the ability to adjust and reprioritise the Inspection Programme in-year if required.

CJI inspects for improvement in the pursuit of excellence. It examines organisations for strengths and to identify areas for improvement. It may make recommendations designed to help an organisation to improve in any aspect of its performance. CJI also seeks where possible, to identify areas of good practice and innovation which could be beneficial for the wider criminal justice system.

CJI conducts its inspections by collecting data in advance, seeking the views of the organisation's partners in the criminal justice system and the community on its performance and forming provisional judgements as to the strengths and weaknesses of the organisation. Where appropriate organisations are asked to self-assess against the inspection criteria identified in the Terms of Reference, identifying as honestly as possible, their own strengths and weaknesses, not to be used against the organisations but as evidence of their commitment to inspection and as an aid to improvement.

Provisional judgements are then tested in the inspection and emerging findings presented to the inspected criminal justice organisation/s. Draft inspection reports including recommendations are then shared with the inspected organisation/s as part of CJI's factual accuracy and quality assurance processes.

The final report is then presented to the Minister of Justice¹ and permission to publish by laying before the Northern Ireland Assembly sought.

1 From 1 April 2019 until 9 January 2020 CJI's inspection reports were presented to the Permanent Secretary of the Department of Justice in the absence of a Northern Ireland Executive and Minister of Justice. The Northern Ireland Executive was restored and a Minister of Justice appointed on 10 January 2020.

CJI does not believe the most productive way to secure change is by 'naming and shaming' organisations. However, there may be occasions when the performance of an organisation or number of organisations falls below an acceptable standard and/or risks are of such concern that the Inspectorate would be required to make the extent of the problems and recommended actions publicly known.

CJI endeavours to work in partnership with the organisations it inspects on the basis that managers and leadership within the various organisations share the common aim of improvement.

Inspections conducted by CJI fully reflect the Cabinet Office principles for the inspection of public services. Further details can be found at http://webarchive.nationalarchives.gov.uk/+http://www.cabinetoffice.gov.uk/regulation/documents/public_services_inspection/pdf/policy.pdf.

Working in partnership

In undertaking our inspection work CJI draws upon its internal skills, knowledge and professional expertise. Where required these skills and our knowledge base are supplemented by additional assistance provided by other Inspectorates.

In the 12 months from April 2019 to March 2020, CJI undertook inspection work with Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), Her Majesty's Inspectorate of Probation (HMI Probation), the Education and Training Inspectorate (ETI) and the Regulation and Quality Improvement Authority (RQIA). CJI participated in discussions with representatives

of the Northern Ireland Audit Office (NIAO) engaged in conducting work linked to the criminal justice system.

The Inspectorate acknowledges the valuable skills, expertise and knowledge colleagues working in other organisations can bring to CJI's inspection work, especially in relation to benchmarking, identifying best practice, partnership working and engagement with other public services.

Organisational structure

The Chief Inspector is the head of CJI and as such, has responsibility for ensuring the Inspectorate carries out a programme of inspection among the criminal justice agencies within its legislative remit. She has responsibility to report the findings of the Inspectorate's work to the Minister of Justice and to ensure CJI's reports are laid in the Northern Ireland Assembly.

The Deputy Chief Inspector's role is to support the Chief Inspector in the delivery and management of the Inspection Programme. The Deputy Chief Inspector is also the Chief Executive and Accounting Officer for CJI and as such, he has responsibility for the day-to-day running of the organisation and ensuring the relevant responsibilities assigned to him as Chief Executive and Accounting Officer are met. This includes controlling the Inspectorate's budget and monitoring expenditure to ensure the most efficient and effective use of resources.

The Chief Inspector and Deputy Chief Inspector have responsibility for directing and controlling the major activities of the organisation. They are the key members of CJI's Senior Management Team.

Minutes of CJI's Senior Management Team meetings are publicly available on the CJI website - www.cjini.org. Details of other staff who attended the Senior Management Team can be found within the Directors' Report.

While CJI does not have a Management Board, it has an Audit and Risk Assurance Committee (ARAC) which meets four times during the financial year. Minutes of CJI's ARAC meetings are publicly available on the CJI website - www.cjini.org.

CJI also participates in quarterly oversight and pay remit meetings with officials from its sponsor division within the DoJ.

CJI's work

The overarching aim of CJI's work is improvement. CJI uses independent, impartial inspection work to identify areas where change, development, collaboration and partnership working will achieve a better system for all.

This can be through securing improvements in the effectiveness and efficiency of the criminal justice agencies it inspects. CJI also seeks to ensure that the criminal justice agencies in Northern Ireland are fair and equitable in all their policies and operations.

Through its inspection activity in 2019-20 CJI has made its contribution to Outcome Seven of the draft Programme for Government 2016-21 (PfG) '*We have a safe community where we respect the law, and each other*' via its work in support of the DoJ's indicator '*increased effectiveness of the justice system*'. CJI's work also contributes to other indicators '*keeping communities safe and reducing crime*' and '*reducing reoffending*'.

CJI involvement in the United Kingdom's National Preventive Mechanism

The Optional Protocol for the Convention Against Torture (OPCAT) is an international human rights treaty designed to strengthen the protection of people deprived of their liberty.

It acknowledges that such people are particularly vulnerable to ill-treatment and advocates that efforts to end such ill-treatment focus on prevention through a series of regular visits to places of detention.

Article 3 of OPCAT requires State Parties to '*set up, designate or maintain at the domestic level one or several visiting bodies for the prevention of torture and other cruel, inhumane or degrading treatment or punishment*'. These domestic bodies are referred to as the National Preventive Mechanism (NPM) and the United Kingdom (UK) Government has designated bodies in each jurisdiction to undertake the visiting role. In Northern Ireland the bodies include CJI along with the RQIA, the Independent Monitoring Boards and the Northern Ireland Policing Board's Independent Custody Visiting Scheme.



During 2019-20 CJI published two inspections related to its NPM function. They were an inspection of pre-release testing arrangements within the NIPS (October 2019); and the safety of prisoners (November 2019). Details of both reports can be found within 'The Inspections' section of the CJI website - www.cjini.org.

Ongoing monitoring visits to Woodlands Juvenile Justice Centre (Woodlands JJC) were also conducted.

Further details of CJI's responsibilities as part of the NPM can be found on the CJI website - www.cjini.org and the NPM website - www.nationalpreventivemechanism.org.uk.

Copies of the NPM 10th annual report are also available to view or download.

CJI's objectives

The strategic objectives of the organisation during 2019-20 were:

- to provide an independent assessment to the Minister of Justice, Committee for Justice, DoJ and the wider community on the working of the criminal justice system;
- to challenge and support the criminal justice organisations to improve performance;
- to work in partnership to deliver a high quality, independent and impartial inspection programme;
- to support through the work of the Inspectorate, the outcome based approach promoted in the draft PfG 2016-21 to deliver long-term positive change for Northern Ireland society;
- to provide independent scrutiny of the conditions for and treatment of users of the criminal justice system, in particular victims and witnesses, children and young people, prisoners and detainees; and
- to fulfil its responsibilities as part of the UK's NPM in support of OPCAT.

The overarching business aims of CJI focus on effectively delivering a risk-based, responsive and relevant inspection programme; encouraging recommendation implementation to achieve improvements and outcomes and maintaining a sound system of financial control.

Further detail on the specific business aims of the organisation and how they will be achieved, can be found in CJI's Corporate and Business Plans available from www.cjini.org.



Performance management

As part of its ongoing business activities CJI reviews and manages organisational performance through discussions and reports presented to the Senior Management Team. The Deputy Chief Inspector reports performance and progress in relation to the Inspection Programme on a monthly basis, while the Business and Communications Manager reports on communications activity and business management matters. CJI's accountant also reports organisational spend against the profiled budget for the financial year on a monthly basis.

Staff performance in CJI is continually managed through discussions between staff members and their respective line manager and formally recorded on a biannual basis through the performance review reporting system.

Overall organisational performance linked to corporate governance is reported to the CJI ARAC and CJI's sponsor division, while financial performance is monitored by way of monthly returns and quarterly monitoring exercises to the DoJ Financial Services Division (FSD).

Issues and risks that could affect CJI in delivering its objectives

CJI examined the possible risks that would impact on the organisation's ability to deliver its objectives on five separate occasions during 2019-20. These reviews considered the cause of these risks, the likelihood of the risks materialising and their potential impact. Mitigating actions CJI could take to minimise the impact of these risks to the organisation, its ongoing operation and its objectives were identified.

During the first 10 months of the financial year the reputation of CJI including the quality of its inspection products and the Inspectorate's relevance both to and within the criminal justice system were identified as key risks. In addition the resilience and sustainability of the organisation, particularly around the need for succession planning within the Inspection Team and the impact in-year budget cuts would have if applied, were identified as further risks that could impact on the organisation.

Impact of the Coronavirus Covid-19 pandemic

In March 2020 CJI reviewed its risks to take account of the impact of the Coronavirus Covid-19 public health crisis on the health and safety of staff, the day-to-day business of the Inspectorate and public awareness of its inspection findings.

CJI has been able to maintain a substantial amount of its normal business activity during the pandemic due to its pre-existing capacity for staff to work remotely. Staff across the organisation have access to secure laptops with remote connectivity to CJI systems. This has allowed a smooth transition to a temporary remote working business model.

The most significant impact for CJI of the Coronavirus Covid-19 crisis has been the disruption to conducting face to face Inspection fieldwork including meetings in person, focus groups, case file reviews and visits to inspected organisations to support current inspection fieldwork and future inspection projects.

CJI has sought to manage the risks linked to the impact of the pandemic that it has identified by complying with UK Government, Northern Ireland Executive and Public Health Agency guidance to support the health and wellbeing of staff. It has sought to continue the business of the organisation through remote working and the use of technology including tele and video conferencing, to progress core business and the inspection programme.

The Senior Management Team have liaised with CJI's sponsor division within the DoJ to ensure a clear understanding of the potential impact on the Inspectorate's business and the progression of inspection work throughout the pandemic especially if restrictions on movement and gatherings remain in place after mid-August 2020.

The DoJ has recognised the unique challenges the Coronavirus Covid-19 pandemic, presents to CJI and the impact this will have on the inspection schedule. The DoJ will work with CJI throughout the crisis providing support on finance and sponsorship matters when requested to do so.

UK withdrawal from the European Union (EU)

CJI considered the implications of the UK's withdrawal from the EU in the run up to the ratification of the withdrawal agreement by the UK Parliament on 31 January 2020. CJI's Senior Management Team identified the impact would be minimal on the day-to-day operation of the Inspectorate. Any potential impact on CJI's NPM responsibilities after December 2020 will be considered and taken forward in line with the response proposed by the UK NPM.

Going concern

The Statement of Financial Position at 31 March 2019 shows negative Taxpayers' Equity of £146,971 (2018-19: £186,364). This reflects the inclusion of liabilities falling due in future years which are to be financed by drawings from the Northern Ireland Consolidated Fund. Such drawings will be from Grants of Supply approved annually by the Northern Ireland Assembly, to meet the Net Cash Requirement of the DoJ, of which CJI is part.

Future financing of CJI's liabilities is accordingly to be met by future Grants of Supply to the DoJ and the application of future income, both to be approved annually by the Northern Ireland Assembly. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the CJI's financial statements for 2019-20.

PERFORMANCE SUMMARY INCLUDING PERFORMANCE AGAINST OBJECTIVES AND TARGETS

Performance summary

CJI developed its Business Plan and Inspection Programme for 2019-20 taking account of the views expressed by stakeholders during consultation events and meetings and relevant outcomes identified in the draft PfG for 2016-21.

It set objectives and performance measures to cover three areas: the Inspection Programme; communication activity; and corporate business. These objectives and performance measures are detailed in CJI's 2019-20 Business Plan.

In this reporting period CJI achieved three of its four Inspection Programme performance objectives (75%); both of its communication

performance objectives (100%); and two of its three corporate business objective (66%). Of the 14 performances measures CJI set at the start of the financial year, 12 were achieved (86%); one was partially achieved (7%); and one was not achieved (7%).

Throughout the year CJI undertook a programme of internal audits and evaluations of procedures to deliver continuous improvement of its Quality Management System (QMS) and high quality inspection reports.

Further detail on CJI's objectives, performance measures and inspection findings can be found in the following table.

INSPECTION PROGRAMME

| Performance objectives | Performance measures | Progress against objectives and measures at year end & status |
|---|--|--|
| <i>Conduct a series of inspections within the legislative remit of CJI and make the findings of these inspections publicly available.</i> | All strategic and 90% of operational recommendations to be accepted by the inspected organisations. | All recommendations accepted. |
| <i>To undertake Ministerial/ DoJ requests where feasible taking account of CJI's remit, other Inspection priorities and available resources.</i> | To complete Ministerial or DoJ requests in line with agreed timeframes. | Two DoJ requests were completed in line with agreed timeframes. |
| <i>Utilise a risk-based approach to conduct a series of follow-up reviews (FURs) and make the findings of these reviews publicly available.</i> | To commence all those inspections listed in the Business Plan within the 2019-20 financial year. | Three inspections listed within the 2019-20 Inspection Programme were commenced in-year (two prison inspections and an inspection of probation practice). In addition, two Departmental requests were undertaken which impacted on the progress of planned inspection work (Disclosure between the PSNI & the OPONI and Base 2). Three planned pieces of work were postponed (Court custody, restorative justice schemes and local policing arrangements). |
| <i>Publish inspection reports and recommendations that help criminal justice organisations to improve their individual effectiveness and efficiency and the effectiveness of the criminal justice system overall.</i> | <p>To actively engage* with criminal justice organisations following the completion of inspection work in support of the achievement of strategic recommendations.</p> <p>* The level and duration of engagement will be determined on the basis of a risk based approach.</p> | Achieved. |

COMMUNICATIONS ACTIVITY

| Performance objectives | Performance measures | Progress against objectives and measures at year end & status |
|---|--|---|
| <p><i>Maintaining engagement with key stakeholders to improve the effectiveness and efficiency of the criminal justice system.</i></p> | <p>To publish by laying before the Northern Ireland Assembly all inspection reports as soon as is practicable after receiving written permission of approval to publish from the Minister of Justice/ DoJ, subject to the Assembly timetable and presenting to the Northern Ireland Assembly all inspection follow-up reviews. This material will be made publicly available via the CJI website - www.cjini.org - during the financial year.</p> | <p>Seven full inspections published and two follow-up reviews published in line with performance measure.</p> <p>Copies can be obtained from the CJI website - www.cjini.org.</p> |
| <p><i>Maintaining awareness of CJI's contribution to the criminal justice system.</i></p> | <p>To ensure recommendations contained within CJI inspection reports are clearly understood.</p> | <p>Achieved. Engagement undertaken with inspected bodies in advance of publication. Recommendations used as focus for communications messaging at point of publication.</p> |
| | <p>Obtain feedback on CJI's work from the heads of the main criminal justice agencies; the Minister of Justice for Northern Ireland/DoJ; the Attorney General for Northern Ireland; the Lord Chief Justice and the justice representatives of the main political parties represented in the Northern Ireland Assembly at least once during the 2019-20 financial year.</p> | <p>Following her appointment CJI's Chief Inspector met with the heads of the main criminal justice agencies; the Minister of Justice for Northern Ireland & DoJ officials; the Attorney General for Northern Ireland; the Lord Chief Justice and the justice representatives of the main political parties represented in the Northern Ireland Assembly between December 2019 and February 2020.</p> |
| | <p>To undertake consultation activity to support the formation and development of the 2020-21 Inspection Programme.</p> | <p>The Chief Inspector consulted on the 2020-21 Inspection Programme with heads of all Inspected organisations; senior directors within the DoJ; the Minister of Justice; stakeholders from the voluntary sector and academia; the Lord Chief Justice and Attorney General for Northern Ireland. This was carried out in March 2020 by email because of the impact of the Coronavirus Covid-19 pandemic.</p> |

CORPORATE BUSINESS

| Performance objectives | Performance measures | Progress against objectives and measures at year end & status |
|--|---|--|
| <i>To fulfil the requirements placed upon CJI by the Northern Ireland Assembly and Government.</i> | To publish a Business Plan for the 2019-20 year which has been approved by the Minister of Justice/ DoJ. | A Business Plan for 2019 was approved by the DoJ and published on the CJI website in June 2019. |
| | To respond to all Assembly Questions made of CJI within the specified timeframe advised by the DoJ. | Achieved. |
| | To seek to respond within 20 working days to all requests for information made to CJI under the Freedom of Information Act 2000. | Achieved. |
| <i>To retain a quality management system within the 2019-20 financial year.</i> | To maintain a quality management system within CJI. | CJI retained its ISO 9001:2015 certification standard for its Quality Management System (QMS) following a comprehensive audit in January 2020. |
| <i>To maintain a sound system of financial control.</i> | To process all payments within 10 days of receipt of a valid invoice or request for payment in line with Government recommendations in partnership with Financial Services Division, DoJ and Account NI. | CJI processed 95% of payments within 10 days and 99% payments within 30 days during 2019-20. |
| | To seek a clean (unqualified) audit certificate from the Comptroller and Auditor General for Northern Ireland for the 2018-19 accounts and publish by laying before the Northern Ireland Assembly, CJI's Annual Report and Accounts for the year 2018-19 before the start of the 2019 summer recess period. | CJI secured a clean (unqualified) audit certificate from the Comptroller and Auditor General for Northern Ireland for its 2018-19 Accounts. The Annual Report and Accounts were laid before the Northern Ireland Assembly and published on 5 July 2019. |

FORWARD LOOK

CJI is engaged in actively planning for the future development of the organisation. This activity will ensure CJI's business priorities and contribution to the continued development of the criminal justice system in Northern Ireland remains relevant and supports meaningful change. CJI is focused on ensuring it makes the best use of its available human and financial resources to do this.

2020-23 Corporate Plan and annual Business Plan incorporating the 2020-21 Inspection Programme

Following her appointment in November 2019 the Chief Inspector met with the heads of all organisations subject to inspection by CJI. She also met with senior directors within DoJ, the Minister of Justice, the Committee for Justice, political parties represented in the Northern Ireland Assembly, stakeholders from the voluntary, community and social enterprise sector, academia and the heads of other Inspectorates and oversight bodies.

These discussions helped inform and support the development of a new three-year Corporate Plan for 2020-23 and annual Business Plan and Inspection Programme for 2020-21.

The impact of the Coronavirus Covid-19 public health crisis changed the way consultation on the 2020-21 Inspection Programme was carried out. The impact of the pandemic on the organisations CJI inspects and CJI's own team was considered, as was the Inspectorate's ability to undertake fieldwork during the first half of the year.

The potential that further disruption may occur later in 2020-21 was also taken into account.

While a revised PfG is being considered, CJI was mindful of the priorities in the current PfG, the duration of this Northern Ireland Assembly mandate and the need to support the stated priorities of the Minister of Justice.

An Inspection Programme for 2020-21 was developed and broad themes identified for the remaining two years of the Corporate Plan period.

CJI has welcomed the specific references to oversight of the implementation of CJI recommendations within the *New Decade, New Approach*² document.

Strategic governance, accountability and action to implement CJI recommendations are areas the Chief Inspector has stated she intends to explore with criminal justice leaders during this Corporate Plan period.

Staff resources

CJI commenced a recruitment exercise in 2019-20 to appoint a new Inspector and mitigate pressures within the Inspection Team after the retirement of one part time Inspector and a reduction in working hours of another part time Inspector.

The timing of the Coronavirus Covid-19 pandemic and subsequent UK Government and Northern Ireland Executive public health guidance on shielding for vulnerable

² *New Decade New Approach*, UK Government, January 2020 available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade__a_new_approach.pdf

individuals, social distancing and restrictions on groups of individuals who are not from the same household meeting indoors, have impacted on CJI's ability to conclude the recruitment exercise.

CJI aims to complete this recruitment exercise as soon as possible within 2020-21 while adhering to public health guidance for the benefit of all individuals involved.

A business case to reduce the length of the CJI Inspectors pay scale from 10 to eight points was prepared and submitted for approval by the DoJ and Department of Finance (DoF) in-year.

FINANCIAL REVIEW

Financial provision and income

CJI was financed as part of the one-year budget allocation for the DoJ for 2019-20 which was presented in a written Ministerial Statement made to Parliament by the Secretary of State for Northern Ireland in February 2019. Revenue Grant from the sponsoring department for the year was

£1,124,000 (2018-19: £1,024,000). In addition, income achieved in-year amounted to £48 (2018-19: £28).

Net expenditure review

The net expenditure of CJI for 2019-20 is compared to the previous two financial years in the table below:

| | 2019-20 £ | 2018-19 £ | 2017-18 £ |
|-------------------------------------|------------------|------------------|------------------|
| Total operating income | (48) | (28) | (108) |
| Staff Costs | 842,737 | 785,557 | 800,844 |
| Purchase of goods and services | 238,558 | 263,159 | 225,144 |
| Depreciation and impairment charges | 3,495 | 4,876 | 23,926 |
| Total operating expenditure | 1,084,790 | 1,053,592 | 1,049,914 |
| Net operating expenditure | 1,084,742 | 1,053,564 | 1,049,806 |
| Finance expense | - | - | - |
| Net expenditure for the year | 1,084,742 | 1,053,564 | 1,049,806 |

Non-current assets

Non-Current Asset expenditure movements are detailed in the Notes to the Financial Statements. Capital expenditure in 2019-20 in relation to Property, Plant and Equipment totalled £905 (2018-19: £594) and for Intangible Assets £5,354 (2018-19: £475).

Financial position

The total net liabilities of CJI at 31 March 2020 were £146,971 (at 31 March 2019: £186,364).

Cash flow

CJI's net decrease in cash and cash equivalents in the year was £2,114 (2018-19: £63 increase).

Financial risk

The cash requirements of CJI are met through Revenue Grants provided by the DoJ and the risk to this funding is low. CJI accounts for all transactions in sterling and has no borrowings. As such, CJI is not exposed to any exchange rate or liquidity risk.

Long term expenditure trends

The charts below show:

- **Chart 1:** the movement in the DoJ non-ringfenced Resource DEL opening baseline over the period 2016-17 to 2020-21; and
- **Chart 2:** the 2020-21 non-ringfenced Resource DEL budget split by the Core Department, Executive Agencies and Non-Departmental Public Bodies.

Chart 1: DoJ Non-Ringfenced Resource DEL opening baselines

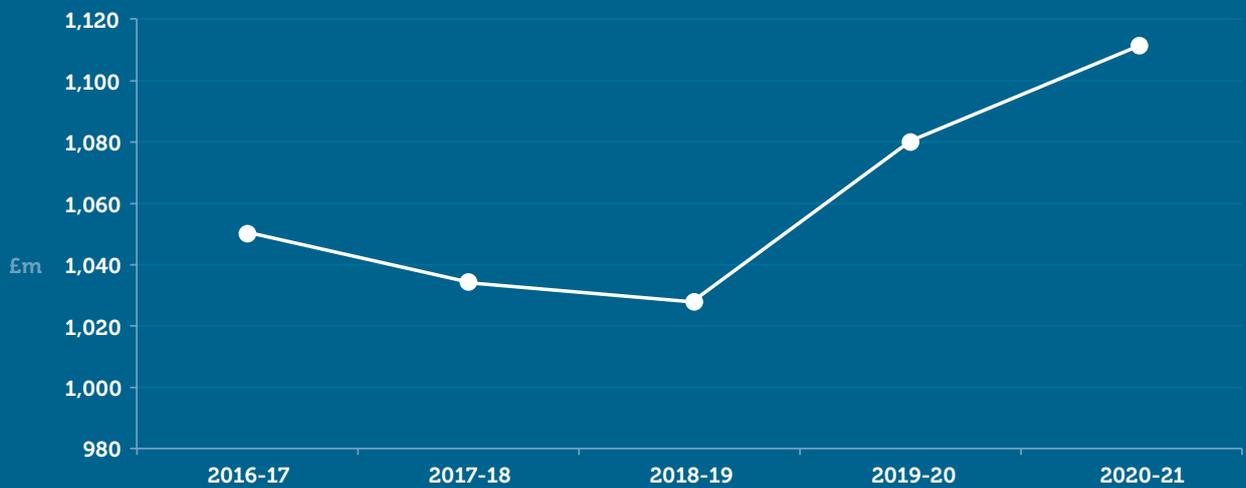
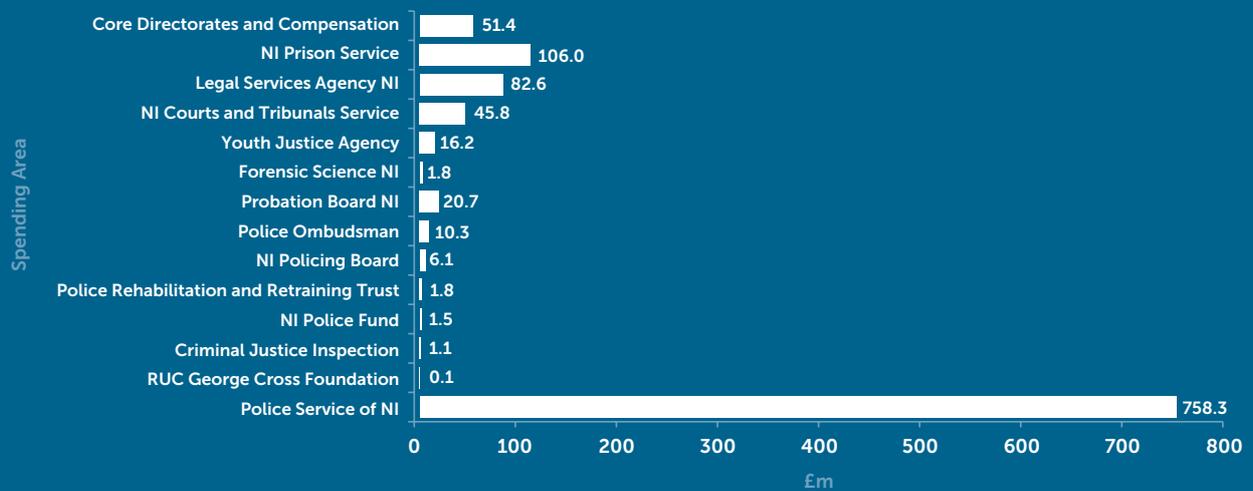


Chart 2: DoJ 2020-21 Non-Ringfenced Resource DEL opening budgets



2019-20 financial year

On 28 February 2019, the Secretary of State for Northern Ireland set out the 2019-20 Resource and Capital allocations for Northern Ireland Government Departments in a written Ministerial Statement made to Parliament.

The DoJ's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2018-19 opening baseline);
- £31.1m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £11.3m was provided towards pressures identified by the Department;
- £32.0m contribution towards pension pressures; and
- £10.7m of funding for EU Exit costs.

CJI commenced 2019-20 with a slightly increased opening budget of £1,060,000 compared to the prior financial year.

2020-21 financial year

On 31 March 2020, the Finance Minister set out the 2020-21 budgets for Northern Ireland Departments which have been agreed by the Executive.

The DoJ's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2019-20 opening baseline);
- £29.7m of additional security funding for the PSNI was provided from the 'Fresh Start' Agreement;
- £22.5m was provided towards pressures identified by the Department;
- £5.0m contribution towards Legacy Inquest costs; and
- £10.7m of funding for EU Exit costs.

CJI commenced the 2020-21 year with an increased opening budget of £1,127,000 compared to the prior financial year. This was as a result of an additional monies allocated to meet increased pension contributions and anticipated financial pressures.

Audit

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice functions) Order 2010. The C&AG is head of the Northern Ireland Audit Office (NIAO) and reports his findings to the Northern Ireland Assembly. The C&AG and his staff are wholly independent of CJI.

The audit fee for the work performed by the staff of the C&AG during the reporting period was £12,700 (2018-19: £12,500). No amounts were paid to the auditors for non-audit work for 2019-20 (2018-19: £Nil).

Prompt payment

The Office of CJI is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code. Unless otherwise stated within the contract, payment is due within 30 calendar days of the receipt of the goods or services, or the presentation of a valid invoice or similar demand. From November 2008, CJI has complied with the Government's 10 working days turnaround for goods/services and invoices.

During the year ended 31 March 2020, 95% (2018-19: 99%) of payments were paid in this 10 day timeframe and 99% of payments within 30 days (2018-19: 100%).

Sustainable development

CJI is committed to sustainable development by promoting and maintaining a positive and inclusive culture among staff and stakeholders. Its aim is to foster governance and leadership in sustainability and to work collaboratively to avoid and minimise adverse impacts of the organisation's activities on the environment and society and reduce the organisation's carbon footprint. During 2019-20, CJI maintained its recycling policy for non-sensitive paper waste, aluminium and plastics across the organisation in partnership with other business areas in adjacent office accommodation.

It continues to promote the electronic publication and distribution of its inspection reports and other corporate publications.

Whistleblowing, anti-fraud and anti-bribery

CJI adheres to the NICS policy in respect of whistleblowing which is designed to reassure staff that it is safe and acceptable to speak up when they have a concern about malpractice. The procedures provide arrangements so that such concerns can be addressed at an early stage and in a fair and proper way.

CJI also has in place an anti-fraud and anti-bribery policy and associated action plan which sets out the procedures and responsibilities for reporting and investigating suspected fraud within CJI and the prosecution of offenders. The policy and associated action plan supports CJI to manage the risk of fraud and bribery in the context of managing wider organisational risks.

INSPECTION REPORTS

During 2019-20 CJI published:



Copies of all reports can be found via the 'The Inspections' page on the CJI website - www.cjini.org

Published full inspection reports included:

-  an inspection of the role of Base 2 in threat verification;
-  a review of prisoner pre-release testing arrangements by the Northern Ireland Prison Service;
-  an inspection of the safety of prisoners;
-  a review of the operation of the Public Protection Arrangements Northern Ireland;

-  an inspection of Police and Community Safety Partnerships;
-  an inspection in relation to Domestic Violence and Abuse; and
-  an inspection of the Voluntary, Community and Social Enterprise Sector's engagement with the criminal justice system.

Work undertaken in 2019-20 that was not due to be published until 2020-21 includes:

-  a review of the disclosure of information regarding legacy cases between the Police Service of Northern Ireland (PSNI) and the Office of the Police Ombudsman for Northern Ireland (OPONI);
-  unannounced inspections of Ash House Women's Prison and Hydebank Wood Secure College;
-  work on how the criminal justice system handles child sexual exploitation;
-  an inspection of probation practice in Northern Ireland;
-  an inspection of the care and treatment of victims and witnesses by the criminal justice system; and
-  an inspection of Modern Slavery and Human Trafficking.

Performance Report

James Corrigan
Chief Executive and Accounting Officer

20 October 2020

ACCOUNTABILITY REPORT

The Accountability section of this Annual Report demonstrates how CJI meets its key accountability requirements to the Northern Ireland Assembly and ensures best practice in relation to corporate governance is achieved. The Accountability Report has three sections: a Corporate Governance Report; a Remuneration and Staff Report; and an Assembly Accountability and Audit Report.

The *Corporate Governance Report* explains CJI's governance structures and how they support the achievement of the Inspectorate's objectives. It comprises a Directors' Report which outlines CJI's executive management structure; how it identifies and manages potential conflicts of interests; its information assurance and data management practices and how the organisation handles and learns from complaints it receives. The *Reports of the Non-Executive Members of CJI's Audit and Risk Assurance Committee* summarise the areas of interest for the ARAC during the 2019-20 year and their opinions on the operation of CJI. The *Corporate Governance Report* also includes a *Statement of the Chief Inspector of Criminal Justice and the Chief Executive and Accounting Officer's Responsibilities* and includes the *Governance Statement* which summarises its key corporate governance processes and the controls in place within CJI during 2019-20.

The *Remuneration and Staff Report* provides information on the policies in place within CJI governing the remuneration of staff within the organisation and the salary and pension entitlements of the most senior staff within the Inspectorate. It also outlines CJI's staff policies which were in operation during the reporting period.

The *Assembly Accountability and Audit Report* details the scope of the audit and the opinion of the C&AG in relation to regularity of expenditure, the financial statements prepared by CJI and other matters on which the C&AG wishes to comment or make observations.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Chief Inspector

The Chief Inspector of Criminal Justice in Northern Ireland is the head of the organisation. The current Chief Inspector Jacqui Durkin was appointed by the Permanent Secretary of the DoJ in the absence of a Northern Ireland Executive and Minister of Justice on 30 November 2019 for a period of three years.

Executive management

The Chief Inspector has responsibility for ensuring the Inspectorate carries out a programme of inspection among the criminal justice organisations within its legislative remit.

The Chief Inspector is supported in executing her responsibilities and directing and controlling the major activities of the organisation during the year by James Corrigan, Deputy Chief Inspector, Chief Executive and Accounting Officer for CJI and by other staff members who attend CJI's Senior Management Team meetings. Other attendees include:

- **J Jamison**
Accountant, Financial Services Division (FSD), DoJ;
- **M McVeigh**
Business and Communications Manager, CJI; and
- a representative of the Inspection Team on a rotational basis.

Audit and Risk Assurance Committee

CJI has in place an ARAC which was established by the Accounting Officer in 2006. The ARAC supports the Accounting Officer in his responsibilities for issues of risk, control and governance, by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's and CJI's Senior Management Team's needs and also reviewing the reliability and integrity of these assurances.

Membership of the ARAC is reviewed every three years with non-executive/independent members serving a maximum of two three-year terms in succession, subject to satisfactory performance and attendance.

The current Committee which meets four times per year includes two non-executive/independent members who are supported by the Business and Communications Manager and a nominated CJI Inspector. It benefits from the attendance of colleagues from External Audit, Internal Audit, a representative of DoJ sponsor division, a representative of Financial Services Division, DoJ, CJI's Chief Inspector and the Accounting Officer.

Register of interests

The members of CJI's Senior Management Team are required to disclose personal or business interests including company directorships or other significant interests which could conflict or impact on their management responsibilities. These disclosures are made on an annual basis by way of a declaration of interest statement. An online Register of Interests of CJI's Senior Management Team members is available to view at www.cjini.org.

All ARAC members, attendees and other CJI staff members are also required to provide information on personal or business interests that may be perceived by a reasonable member of the public to influence their judgement in the exercise of their public duty.

Information management

CJI has aligned itself with the Information Management arrangements in place within the DoJ. These arrangements mirror policies and procedures in place within other Departments in the Northern Ireland Executive.

Protected personal data, data handling and the General Data Protection Regulation (GDPR)

The Chief Executive is required to report personal data related incidents which occurred during the financial year. Personal data includes any information that links one or more identifiable living person with information about them, the release of which would put them at significant risk of harm or distress, or any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain.

Since 2018 CJI has been subject to the GDPR. The GDPR applies to 'personal data', meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.

There were no personal data related incidents which CJI had responsibility for, to report to the Information Commissioner during 2019-20 (2018-19: Nil). Information risk is managed within CJI within the context of the risk management framework referred to in CJI's Governance Statement.

Complaints

CJI seeks to ensure it adheres to best practice in all aspects of its business activities. In support of this aim, it has in place a complaints procedure which is publicly available on its website - www.cjini.org. We welcome and will be responsive to any complaints or other feedback from our customers. CJI defines a complaint as when a person expresses dissatisfaction with any aspect of CJI's standard of service. This may include the conduct of any permanent or temporary member(s) of CJI staff or other people carrying out inspection related work for or on behalf of CJI. CJI has a Complaints Officer appointed to co-ordinate the management of any complaints it receives.

Should CJI receive a complaint either verbally or in writing it will:

1

acknowledge the complaint in writing, within seven working days of receiving it;

2

attempt to resolve the complaint by informal resolution;

3

attempt to resolve a first stage complaint as soon as we can and in any case, within 15 working days of receiving it; and

4

if we have been unable to resolve a complaint within 15 working days of receipt of it, we will write to the individual/organisation and keep them informed of its progress.



If an individual is dissatisfied with CJI's response, they may contact the Northern Ireland Ombudsman.

During 2019-20, CJI did not receive any complaints (2018-19: Nil).

REPORTS OF THE NON-EXECUTIVE MEMBERS OF CJI'S AUDIT AND RISK ASSURANCE COMMITTEE

I have been an Independent Non-Executive Member of the CJI ARAC since January 2016. Members also act as Chair of the ARAC alternating this role between each Non-Executive Members. CJI plays a vital role within our criminal justice system in independently fulfilling its statutory functions inspecting all aspects of our criminal justice system (apart from the judiciary). I am pleased to have brought my experience as Chief Executive of an Arm's Length Body (ALB) and that gained across the public, statutory and third sectors including that within the human rights sector to CJI.

During the past business year as ARAC members, we have focused on all relevant areas of governance, systems of internal control, risk management, accounts, internal and external audit work and policy adherence in advising on the necessary assurances to the Accounting Officer and senior staff in CJI. Internal audits of HR and IT carried out during the year received a 'satisfactory' rating. Robust governance mechanisms and processes as outlined in CJI's Governance Statement, have been maintained again this year and I commend the staff responsible for their professionalism and timely presentation of papers and reports for ARAC scrutiny and follow-up actions.

I attended four ARAC meetings during the year and participated in the annual assessment on my performance. This year saw the departure of the Chief Inspector Brendan McGuigan CBE who is to be thanked for his years of excellent service to CJI. Jacqui Durkin appointed as the new Chief Inspector, was welcomed to her first CJI ARAC meeting in January 2020.

As a new 'Partnership Agreement' is to replace the existing Management Statement and Financial Memorandum (MSFM), it will be important as a Corporate Sole that this is adapted appropriately for such a model which ensures the ongoing independence of CJI. I understand this is to be progressed in 2020-21 and I am keen to see how this is progressed going forward.

The advent of the Coronavirus Covid-19 pandemic nearing the end of the 2019-20 business year, resulted in lockdown restrictions across Northern Ireland from mid-March. This undoubtedly will impact on CJI's programme of Inspections in the year ahead as we all adjust to such measures; it is hoped that these will be effective and of as short a duration as possible. I have no doubt CJI will continue to put in place appropriate contingency measures as we emerge from this crisis to a 'new normal'.

Mairéad McCafferty

I was appointed as a Non-Executive member of the CJI ARAC on 23 April 2018 and I have attended four meetings throughout the 2019-20 year. It is an honour to serve CJI in this capacity and I have extensive past knowledge and experience of the valuable role that it provides, delivering independent scrutiny of the Northern Ireland justice system, through my previous role as the Head of Internal Audit and Assurance for the DoJ.

The ARAC meetings are structured around an annual programme and cover a range of standing items that include:

- Risk Assessment and Corporate Risk Register;
- Annual Accounts and Governance Statement;
- Report to those charged with governance;
- Annual Internal Audit report and opinion;
- Internal and External Audit plans;
- Whistle-blowing;
- Fraud; and
- Senior officer expenses.

I have found CJI to be a model of best practice in terms of governance and the scrutiny exercised via the ARAC. Senior officer support is evidenced through the regular attendance by both the Chief Inspector and the Chief Executive. The work carried out is under strain from budgetary pressures and is having to be prioritised accordingly. During the year we were kept informed of the Inspector pay and grading review which is now resolved.

Derek Anderson

STATEMENT OF THE CHIEF INSPECTOR OF CRIMINAL JUSTICE AND CHIEF EXECUTIVE AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 6 of Schedule 8 to the Justice (Northern Ireland) Act 2002 (as amended) the DoJ has directed the Chief Inspector to prepare for each financial year of the Office of the Chief Inspector of Criminal Justice, a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Office of the Chief Inspector of Criminal Justice and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by DoJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and

- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the DoJ has appointed the Chief Executive as Accounting Officer of the Office of the Chief Inspector of Criminal Justice. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Office of the Chief Inspector of Criminal Justice's assets, are set out in Managing Public Money Northern Ireland published by DoF (previously DFP).

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

GOVERNANCE STATEMENT

Governance Framework

Scope of responsibility

Criminal Justice Inspection Northern Ireland (CJI) is an Arm's Length Body (classified as an Executive Non-Departmental Public Body (NDPB)) of the Department of Justice for Northern Ireland (DoJ) established under the Justice (Northern Ireland) Act 2002 as amended. The organisation is led by the Chief Inspector of Criminal Justice. The Chief Inspector is a public appointee, appointed by the DoJ in the absence of a Minister of Justice, who operates as a corporation sole.

The Senior Management Team of CJI acts as its Board and is made up of the Chief Inspector, who acts as Chair, and the Deputy Chief Inspector, who is also Chief Executive and Accounting Officer. Also in attendance is the Business and Communications Manager, an individual Inspector and a representative from the Financial Services Division (FSD) of the DoJ for Northern Ireland who provide finance and accountancy services to CJI.

The accountability arrangements within CJI encompass oversight and pay remit meetings with its DoJ sponsor division, monthly Senior Management Team meetings, monthly Inspectors' meetings and four Audit and Risk Assurance Committee (ARAC) meetings per year. The quality and performance of the third party services provided by FSD are managed through a detailed Service Level Agreement. CJI also prepares financial statements subject to independent audit by the Northern Ireland Audit Office (NIAO).

CJI complies with the Code of Good Practice Northern Ireland ('The 2013 Code') in line with government policy for Corporate Governance and specifically complies with the principles governing the relationships between Departments and their Arm's Length Bodies (ALBs). To this end, a Management Statement and Financial Memorandum govern *inter alia* the relationship between the DoJ and CJI with particular emphasis on:

- CJI's overall aims, objectives and targets in support of the DoJ's wider strategic aims, outcomes and targets contained in its current Management Statement and Financial Memorandum;
- the rules and guidelines relevant to the exercise of CJI's functions, duties and powers;
- the conditions under which any public funds are paid to CJI;
- how CJI is to be held accountable for its performance; and
- the appointment of the CJI Accounting Officer with a documented record of this appointment and the terms and conditions that pertain.

In November 2019 a Partnership Agreement template was approved by the Northern Ireland Civil Service (NICS) Board. Partnership Agreements are intended to provide sponsoring Departments and ALBs with a new model 'relationship document' setting out the partnership arrangements between an ALB and the Department and will supersede existing Management Statements and Financial Memorandums.

Partnership Agreements will set out the overall governance framework within which ALBs should operate, including the framework through which the necessary assurances are provided to stakeholders in order to satisfy accountability requirements and explore the concept of proportionate autonomy. CJI will engage with its sponsor branch within DoJ to develop a Partnership Agreement during 2020-21.

The role of the Senior Management Team

The Senior Management Team is ultimately responsible for strategy and overseeing the performance of CJI and in this regard acts as the Board of CJI. In support of this focus, the following matters are reserved for the Senior Management Team to approve or monitor:

Setting Direction

- Vision, Mission, Values, Ethics and Business Practice.

Approval

- Corporate and Business Plans;
- Annual budget and programme expenditure;
- Pay remits;
- Capital expenditure; and
- Change programmes.

Oversight and Control

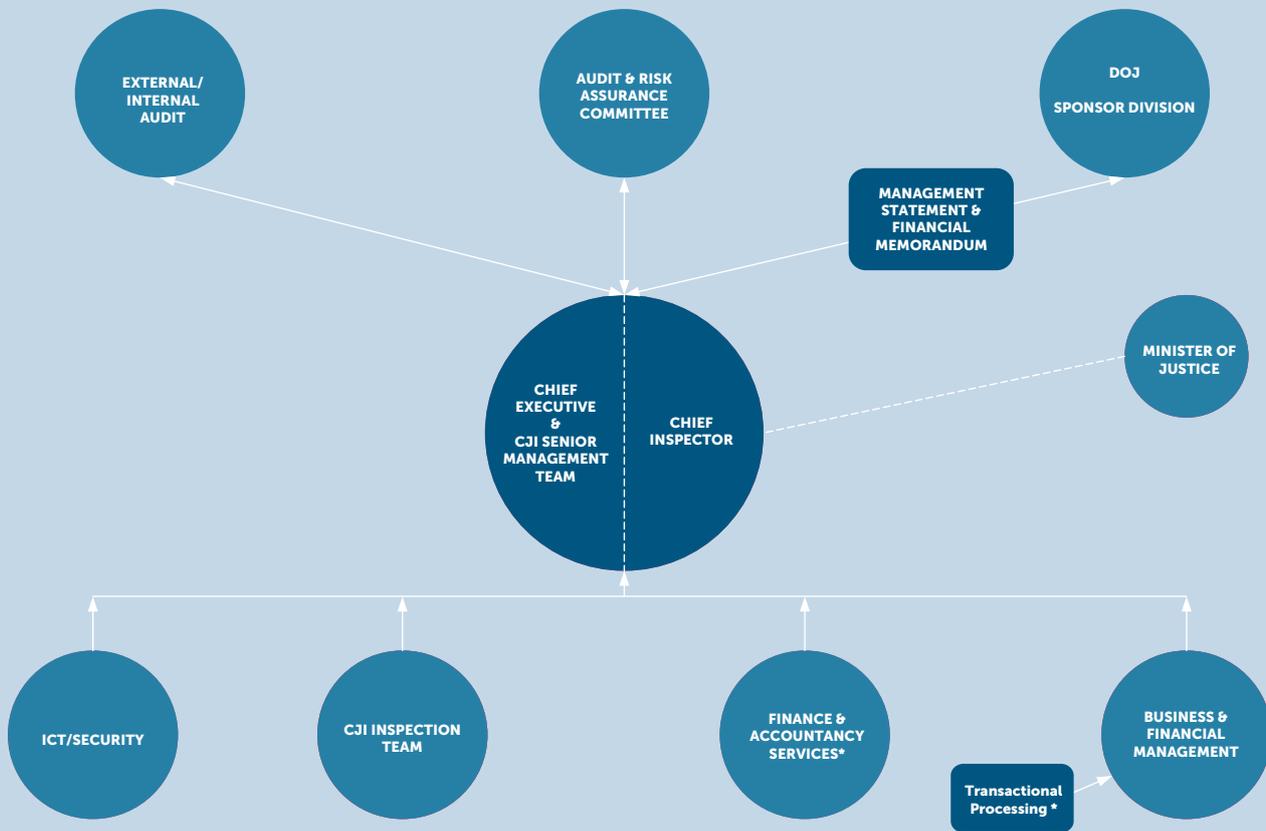
- Operating and financial performance;
- Internal controls; and
- Compliance (governance, risk, financial and regulatory).

Stakeholder relationships

- External communications, the Annual Report, press releases; and
- Engagement with inspected organisations.

The Senior Management Team (Board) of CJI receives monthly management reports including updates on the Inspection Programme, current and capital expenditure and reports on specific projects, such as Inspector recruitment and realignment of the Inspector Pay Scale. The acceptability of the information provided to the Senior Management Team (Board) of CJI has been endorsed by the Chief Inspector and the Chief Executive and Accounting Officer of CJI. The Chief Inspector in turn gains her assurance on financial data from the DoJ FSD representative and their compliance with the CJI/FSD Service Level Agreement. The inspection programme information is validated by the Chief Executive who has line management responsibility for all Inspectors and oversees the delivery of the Inspection Programme.

CJI accountability arrangements



* Services provided via a Service Level Agreement with FSD, DoJ.

Risk management and internal control

The Senior Management Team is responsible for CJI’s system of internal controls and risk management and for reviewing the effectiveness of these systems. Key features are:

- a Risk Register identifying CJI’s key risks and the means to manage and mitigate them;
- a well-established system of financial and business controls, the operation of which are regularly reported to the ARAC and the Chief Executive;
- regular assessments of internal controls by CJI’s Internal Audit service; and

- the review of the effectiveness of the internal control processes by the ARAC on behalf of the Senior Management Team.

CJI conducts periodic reviews of its Risk Register involving all staff to identify and prioritise the risks to the achievement of CJI policies, aims and objectives; the likelihood or impact of those risks being realised; and establish the mitigating actions required.

The outcome of these reviews are reported to the ARAC. The Senior Management Team has reviewed the CJI risk appetite and uses five categories of risk with assessments of the risk appetite:

| Category of Risk | Risk Appetite |
|-------------------------|--|
| Reputation | Cautious (preference for safe options that offer a low degree of residual risk and may offer limited reward). |
| Delivery | Open (willing to consider all potential delivery options and choose one most likely to result in success). |
| Change Programmes | Open (willing to consider all potential delivery options and choose one most likely to result in success). |
| Finance/value for money | Cautious (preference for safe options that offer a low degree of residual risk and may offer limited reward). |
| Legal/regulatory | Minimal (choose safe option with low degree of inherent risk). |

The risk appetite has been ratified by the CJI ARAC. It is refreshed annually and is linked to the ongoing assessment of risk expressed by the CJI Corporate Risk Register.

Risk assessment

A number of risks were re-evaluated during the year and the Risk Register was updated to reflect the highest priority risks to CJI. The most significant risks to the organisation identified in-year were those impacting on the organisation's reputation and the delivery of its core business. These risks were linked to the quality of the inspection products, CJI's relevance to and within the criminal justice system and the resilience and sustainability of the organisation. CJI has sought to mitigate the impact of these risks on its core business by adopting a risk-based approach to the timing of the Inspection Programme, securing external support for inspection work and seeking to recruit new Inspection staff.

CJI also reviewed its risks towards the end of the financial year to take account of the impact of the Coronavirus Covid-19 public health crisis on the health and safety

of staff, the day-to-day business of the Inspectorate and public awareness of its inspection findings. CJI has identified that the Coronavirus crisis has disrupted the normal process of conducting face-to-face meetings, focus groups, case file reviews and visits to inspected organisations to support current inspection fieldwork and future inspection projects. CJI has sought to manage risks linked to the impact of the Coronavirus Covid-19 internally by complying with UK Government and Northern Ireland Executive guidance to support the health and wellbeing of staff, using remote working including tele and video conferencing to progress core business and the Inspection Programme. Senior management have liaised with sponsor division within the DoJ to ensure a clear understanding of the potential impact on CJI's business and the progression of inspection work throughout the pandemic especially if restrictions on movement and gatherings remain in place after mid-August 2020.

The DoJ recognises the unique challenges the Covid-19 pandemic presents to CJI and the impact this will have on the inspection

schedule. The DoJ will work with CJI throughout the crisis providing support on finance and sponsorship matters when requested to do so.

Audit and Risk Assurance Committee

The CJI ARAC have formally agreed Terms of Reference that are reviewed on an annual basis. The ARAC comprises two independent non-executive members, who are supported

by the Business and Communications Manager, and a nominated CJI Inspector. The Chief Inspector, the Accounting Officer (Deputy Chief Inspector), a representative from DoJ sponsor division, representatives of the NIAO/Deloitte(NI) Limited (External Audit), NICS Group Internal Audit (formerly DoJ Internal Audit), and FSD (financial services provider to CJI) also attended meetings during 2019-20.

| | No. of Meetings Attended/Held |
|---|-------------------------------|
| CJI Audit and Risk Assurance Committee Members | |
| M McCafferty (non-executive member/Chairperson)* | 4/4 |
| D Anderson (non-executive member/Chairperson*) | 4/4 |
| CJI Audit and Risk Assurance Committee Attendees | |
| B McGuigan CBE (Chief Inspector) ** | 2/3 |
| J Durkin (Chief Inspector) *** | 1/1 |
| J Corrigan (Chief Executive and Accounting Officer) | 4/4 |
| M McVeigh (Business and Communications Manager) | 4/4 |
| S Dolan (CJI Inspector) **** | 2/3 |
| Dr I Cameron (CJI Inspector) ***** | 1/1 |
| Representative of DoJ Financial Services Division | 4/4 |
| Representative of DoJ (Sponsor Division) | 4/4 |
| NIAO (External Audit) | 4/4 |
| Deloitte(NI) Limited (External Audit) | 4/4 |
| Representative of NICS Group Internal Audit | 4/4 |
| Audit and Risk Assurance Committee Secretary | 4/4 |

* The role of Chairperson was rotated between the non-executive members of the ARAC during 2019-20.

** B McGuigan CBE retired as Chief Inspector with effect from 29 November 2019.

*** J Durkin was appointed as Chief Inspector with effect from 30 November 2019.

**** S Dolan retired with effect from 31 December 2019.

***** Dr I Cameron joined the ARAC with effect from 23 January 2020.

The ARAC has access to all internal audit reports, external reviews, risk registers and management reports. Standing agenda items at each of the four meetings include: progress of management responses and actions against assurance reviews (internal and external); adequacy of response to the Risk Register; reports on fraud and whistle-blowing; direct award contracts; chief officers' expenses; and gifts and hospitality. The ARAC considers and approves, the Governance Statement and the Annual Report and Accounts of CJI, before submission to the DoJ. It undertakes an annual self-assessment of performance which is presented to the ARAC with recommendations for development made to CJI's Senior Management Team.

Internal audit

The CJI Internal Auditor provides a report on internal audit activity each year. During 2019-20 the Internal Auditor has completed audits of CJI's IT and HR systems. The annual assurance report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of CJI's system of internal control with recommendations for improvement.

CJI's Internal Audit service was provided by the NICS Group Internal Audit Team which incorporates the former DoJ Internal Audit Team.

Core business risks

All CJI inspections include a formal risk assessment with mitigating plans in place and responsibility for delivery clearly assigned. Risk policies and processes are supported and maintained by the Business and Communications Manager who is responsible for advising on corporate risk management

and the escalation of risks from the risk and control framework to the Senior Management Team and, if relevant, to the DoJ. This system of internal control has been in place in CJI for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts. It accords with Department of Finance (DoF) guidance relating to corporate governance and management of risk.

Shared services

Financial

CJI's Payroll and HR transactional support functions are provided via NICS HR and the NICS HRConnect service. Finance transactional support functions have been provided by FSD via the NICS Account NI shared service system with internal control exercised by the DoJ since July 2012 with CJI's budget and financial reporting services provided by FSD since November 2012. The control responsibility and internal audit processes for those internal elements of the transaction streams that remain within CJI rest with the CJI Accounting Officer. These include validation of expenditure requests; compliance with delegated limits; segregation of duties; and adherence to the CJI Financial Procedures Manual. The Deputy Director, Finance (DoJ) and the CJI Accounting Officer have individual responsibility to ensure that the two sets of controls provide an environment of overall appropriate control for their respective organisation/business area. These controls are incorporated into the Service Level Agreement governing the delivery of the service.

Throughout the year CJI has continued to ensure that its own controls and processes are operating effectively, with manual checking of

data integrity and accuracy where necessary, specifically in the area of expense monitoring and approval (travel and subsistence) which lies with the CJI Accounting Officer. Any changes to CJI processes are managed within the ISO 9001:2015 Quality Management System to ensure that objectives are still delivered and the control implications assessed, agreed and managed.

ICT

CJI's ICT requirements during 2019-20 were provided by the NICS Enterprise Shared Services IT Assist platform. A detailed Service Level Agreement governs the delivery of the services. The Service Level Agreement is reviewed on an annual basis with supporting in-year reviews carried out by the CJI Website and Compliance Manager to monitor the service.

Information security and General Data Protection Regulation

CJI's information security is managed by the Website and Compliance Manager. Staff awareness of information management and security is supported by the ISO 9001:2015 certified Quality Management System, which gives staff full access to all relevant and current security policies and guidance.

Information management within CJI is further supported by CJI's Website and Compliance Manager, the DoJ Information Security Managers Forum and Security Branch. An Information and Asset Risk Register is in place to assist CJI to manage its responsibilities in relation to the retention, handling and processing of data including personal data and compliance with the General Data Protection Regulation (GDPR).

CJI provides the DoJ with details of its information management procedures and compliance with HM Government mandatory requirements on request.

Value for money

All proposed business changes are examined through the preparation of an appropriate and proportionate business case. If appropriate, benefit realisation plans and monitoring are built into all such developments with direct periodic reporting to the Senior Management Team for corporate projects. All procurement and contract management complies with UK and/or EU procurement regulations to ensure full and fair competition amongst prospective suppliers of goods and services. All procurement and contract management activities are managed in line with the Cabinet Office transparency guidelines and approvals processes, with supplier engagement compliant with UK Government and DoF procurement guidelines. CJI attends and is a member of the DoJ Procurement Forum and utilises the E-Tendering platform in relation to the letting of contracts where the value exceeds £5,000.

As part of the selection process for new contracts, tender evaluation incorporates monetary and non-monetary factors and contracts are awarded to the most economically advantageous tender. CJI reviews supplier performance information to ensure that quality and services are maintained for the duration of the contract and that post evaluation takes place.

Budget position

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all Departments for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise Departments' access to cash and use of resources for the early months of the 2020-21 financial year.

While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the Covid-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure Departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

CJI's budget allocation for 2019-20 from DoJ of £1.060m incorporated a slight uplift from the prior year of £7,000 towards covering the cost of pension pressures for which the Department had received an allocation of £32m to fund.

UK withdrawal from the European Union (EU) (Brexit)

CJI considered the implications of the UK's withdrawal from the EU in the run up to the ratification of the withdrawal agreement by Parliament on 31 January 2020. CJI's Senior Management Team identified that the impact would be minimal on the day-to-day operation of the Inspectorate. Any potential impact on

CJI's NPM responsibilities role after December 2020 will be considered and taken forward in line with the response proposed by the UK NPM.

Review of effectiveness

- The Senior Management Team assesses achievement of the CJI Business Plan objectives and performance on a continuous basis. The outcome of this continuous assessment is used to inform the development of the three-year Corporate Plan and annual Business Plan(s) for the succeeding period.
- At the monthly Senior Management Team meetings the review of CJI financial reports indicated potential variances from budget that were satisfactorily explained.
- CJI met all key objectives such as conducting a series of inspections and follow-up reviews within its legislative remit; maintaining a sound system of financial control; and obtaining re-certification for its Quality Management System within the financial year as outlined in its 2019-20 Business Plan.
- Annual Internal Audit reviews were conducted by the independent NICS Group Internal Auditor to test the adequacy and effectiveness of systems of internal control as defined in the Public Sector Internal Audit Standards (PSIAS). CJI attained a satisfactory level of assurance in the Head of Internal Audit's Annual Report and Opinion report.
- There were no significant lapses in security in-year.

- CJI received an annual assurance statement from FSD providing information on the FSD internal controls governing risk and control monitoring activities, and other relevant reporting processes and assurances provided by DoJ Internal Audit and other relevant sources of assurance.
- CJI retained its ISO 9001:2015 certification for its Quality Management System following an audit by independent assessors. ISO 9001:2015 is a continuous improvement regime that maintains the quality standards for all CJI processes.

Conflicts of interest

All ARAC members, CJI staff members and attendees (with the exception of Internal and External Audit representatives) are required to complete an annual declaration of potential personal or business interests. This information is used to identify where potential conflicts of interest may apply. Should this information change in-year, CJI staff members, ARAC members and attendees (with the exception of Internal and External Audit representatives) are required to inform the Chief Executive and update their declaration of interests accordingly. This register of interests is available for public inspection. A register of interests pertaining to CJI's Senior Management Team (Board) and attendees at Senior Management Team meetings can be viewed online at www.cjini.org.

Members and attendees at the CJI ARAC (with the exception of Internal and External Audit representatives) are also required to disclose any potential conflicts of personal or business interest at the start of each ARAC meeting. Where a conflict arises, the individual is required to absent themselves from the subsequent discussion.

Significant internal control issues

There were no significant internal control issues or Ministerial directions during 2019-20.

Accounting Officer Statement on Assurance

CJI has an established and robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity and by the NICS Group Internal Audit Services operating to PSIAS. They deliver an agreed prioritised programme of system based audits covering all CJI systems over time. The Head of Internal Audit provides me with an Annual Report and their professional opinion on the level of assurance that they can provide based on the work done. For the 2019-20 year they have provided overall satisfactory assurance.

REMUNERATION AND STAFF REPORT

Remuneration Report

The Remuneration Report provides information on the terms and conditions of employment applicable to CJI's senior management and the salary and pension entitlements along with any additional remuneration which is payable to the Inspectorate's most senior staff. This ensures transparency in relation to how staff salaries are set as well as the payments made and due to staff as a result of their employment.

Remuneration policy

The position of Chief Inspector of Criminal Justice in Northern Ireland is a public appointment and remuneration is a decision for the Minister of Justice (or in their absence, the DoJ) in line with any guidance issued by the Commissioner for Public Appointments Northern Ireland.

Other directly recruited staff employed by CJI are remunerated largely in line with NICS pay agreements and the CJI pay strategy approved by the DoF formerly Department of Finance and Personnel (DFP) in spring 2012. The CJI remuneration arrangements are based on a system of pay scales for each grade within CJI containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

The pay remit for Northern Ireland Public Sector employees including those aligned with the NICS Senior Civil Service (SCS) pay scales is normally approved by the Minister of Finance. In the absence of an Executive, the DoF Permanent Secretary set the 2019-20 Northern Ireland public sector pay policy in line with the overarching HM Treasury parameters and in a manner consistent with the approach

taken by the previous Finance Minister in 2016-17. Annual pay awards are made in the context of the wider public sector pay policy. The pay award for staff aligned with NICS pay scales including SCS staff for 2019-20 has been finalised but not yet paid.

The pay of the SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Service contracts

Directly recruited appointments are made in accordance with the Civil Service Commissioners (Northern Ireland) Order 1999, which requires appointment to be on merit, on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

The current Chief Inspector was appointed in the absence of a Northern Ireland Executive and a Minister of Justice by the Permanent Secretary, DoJ in November 2019 for a period of three years.

The Deputy Chief Inspector and other members of staff 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 for Northern Ireland can be found at www.nicscommissioners.org.

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior employees including the Accounting Officer/Chief Executive who are members of the Senior Management Team (Board).

Remuneration (including salary) and pension entitlements (audited information)

| | Single total figure of remuneration | | | | | | | |
|--|---|-----------|---------------------------------------|---------|--|---------|---------------|-----------|
| | Salary (£'000) | | Benefits in kind (to nearest £100) | | Pension Benefits* (to nearest £1,000) | | Total (£'000) | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Ms J Durkin <i>Chief Inspector</i> (from 30 November 2019) | 35 - 40 (110 - 115 full year equivalent) | - | - | - | 86 | - | 110 - 115 | - |
| Mr B McGuigan CBE <i>Chief Inspector</i> (until 29 November 2019) | 70 - 75 (105 - 110 full year equivalent) | 105 - 110 | - | - | 24 | 32 | 90 - 95 | 135 - 140 |
| Mr J Corrigan <i>Deputy Chief Inspector & Chief Executive</i> | 70 - 75 | 70 - 75 | - | - | 25 | 31 | 95 - 100 | 100 - 105 |

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

Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK taxation.

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. No benefits in kind were paid during the financial year (2018-19: £Nil).

Pay multiples (audited information)

| | 2019-20 | 2018-19 |
|---|-----------|-----------|
| Band of Highest Paid Director's Total Remuneration* (£'000) | 110 - 115 | 105 - 110 |
| Median Total remuneration (£) | 57,602 | 56,358 |
| Ratio | 1.97 | 1.88 |

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

Reporting bodies are required to disclose the relationship between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director. The banded remuneration of the highest-paid director in CJI in the financial year 2019-20 was £110,000 - £115,000 (2018-19: £105,000 - £110,000). This was 1.97 times (2018-19: 1.88) the median remuneration of

the workforce, which was £57,602 (2018-19: £56,358). Remuneration ranged from £27,299 to £110,000 - £115,000 (2018-19: £26,962 to £105,000 - £110,000). The increase in ratio and increase in median remuneration in comparison with prior year figures is linked to the application of the annual pay increase for all staff and increase in remuneration for the newly appointed Chief Inspector.

Pension entitlements (audited information)

| Name | Accrued pension at pension age as at 31/03/20 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at **31/03/20 £'000 | CETV at *31/03/19 £'000 | Real increase in CETV £'000 | Employer contribution to partnership pension account Nearest £100 |
|--|---|---|-----------------------------|----------------------------|--------------------------------|--|
| Ms J Durkin (from 30 November 2019) | 40 - 45 plus a lump sum of 105 -110 | 2.5 - 5 plus a lump sum of 10 -12.5 | 835 | 749 | 79 | - |
| Mr B McGuigan CBE (until 29 November 2019) | 25 - 30 | 0 - 2.5 | 482 | 466 | 19 | - |
| Mr J Corrigan | 15 - 20 | 0 - 2.5 | 303 | 263 | 14 | - |

* Or date of joining if later.

** Or date of leaving if earlier.

No pension benefits are provided to the Non-Executive Members of the ARAC.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The **alpha** pension scheme was introduced for new entrants from 1 April 2015. The **alpha** scheme and all previous scheme arrangements are unfunded with the cost of

benefits met by monies voted each year. The majority of existing members of the **classic**, **premium**, **classic plus** and **nuvos** pension arrangements also moved to **alpha** from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to **alpha** and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to **alpha** on 1 April 2015 or at a later date determined by their age.

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

New entrants joining can choose between membership of **alpha** or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (**partnership** pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the **nuvos** arrangement or they could have opted for a **partnership** pension account. **Nuvos** is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

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**). From April 2011, pensions payable under **classic**, **premium**, and **classic plus** are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of **premium** or joining the **partnership** pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2019 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2020.

Employee contribution rates for all members for the period covering 1 April 2020 - 31 March 2021 are as follows:

| Annualised Rate of Pensionable Earnings (Salary Bands) | | Contribution rates - All members |
|--|-------------|------------------------------------|
| From | To | From 1 April 2020 to 31 March 2021 |
| £0 | £23,999.99 | 4.60% |
| £24,000.00 | £55,499.99 | 5.45% |
| £55,500.00 | £152,499.99 | 7.35% |
| £152,500.00 and above | | 8.05% |

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

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal scheme pension age in **alpha** is linked to the member's State Pension Age but cannot be before age 65.

Further details about the NICS pension schemes can be found at the website www.finance-ni.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 NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Details of pensions within Accounting Policies can be located at paragraph 1(b) of Note 1 to the Accounts.

Compensation for loss of office

No compensation on early retirement or for loss of office was paid to members of senior management during 2019-20 (2018-19: £Nil).

STAFF REPORT

Staff costs (audited information)

Staff costs comprise:

| | | | 2019-20 | 2018-19 |
|--|-------------------------------|----------|----------------|----------------|
| | Permanently employed staff | Others | Total | Total |
| | £ | £ | £ | £ |
| Wages and salaries | 586,056 | - | 586,056 | 578,457 |
| Social security costs | 66,622 | - | 66,622 | 65,603 |
| Other pension costs | 190,059 | - | 190,059 | 141,497 |
| Sub-total | 842,737 | - | 842,737 | 785,557 |
| Less recoveries in respect of outward secondments | - | - | - | - |
| Total net costs | 842,737 | - | 842,737 | 785,557 |

Main pension arrangements

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but CJI is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2021.

For 2019-20, employers' contributions of £154,154 were payable to the NICS pension arrangements (2018-2019 £112,030) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2018-19: £Nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19: 8% to 14.75%) of pensionable pay.

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

Employer contributions of £Nil, 0.5% (2018-2019 £ Nil, 0.5%) of pensionable pay, were payable to the NICS pension schemes to

cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No persons (2018-19: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2018-19: £Nil).

Average number of persons employed

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

| | 2019-20 Number | 2018-19 Number |
|-----------------------------------|-------------------|-------------------|
| Permanently employed staff | | |
| Senior management | 2.00 | 2.00 |
| Inspectors | 5.25 | 5.48 |
| Administration and support staff | 2.50 | 2.50 |
| Other | | |
| Secondment | - | 0.08 |
| Total | 9.75 | 10.06 |

At the start of the 2019-20 financial year, CJI had a complement of 12 permanent staff (10.1 FTE Full Time Equivalent (FTE)). There were a number of staff changes in-year including the retirement of one part time Inspector and another part time Inspector reducing their working hours. This brought CJI staffing levels to 11 permanent staff (9.3 FTE) at the end of the year.

The Chief Inspector has line management responsibility for the Deputy Chief Inspector, while the Deputy Chief Inspector has line management responsibility for the Inspection staff and Business Support staff.

Financial support continues to be provided to CJI by colleagues from Financial Services Division (FSD), DoJ under a Service Level Agreement established following the transfer of finance functions to the NICS's Account NI shared service.

Staff composition (audited information)

The number of staff employed at 31 March 2020 was as follows:

| | Female staff | Male staff | Total staff |
|-----------------------------------|--------------|------------|-------------|
| Permanently employed staff | | | |
| Senior management* | 1 | 1 | 2 |
| Inspectors | 2 | 4 | 6 |
| Administration and Support Staff | 2 | 1 | 3 |
| Total | 5 | 6 | 11 |

* During 2019-20 CJI had two employees who were equivalent to NICS Senior Civil Service grades. They were the Chief Inspector (Grade 3 equivalent) and the Deputy Chief Inspector and Chief Executive (Grade 5 equivalent).

Sickness absence

In 2019-20 the average level of staff sickness absence stood at 0.76 days per employee (5.66 days in 2018-19).

Staff policies - recruitment, training and career development of disabled persons

CJI is an equal opportunities employer which seeks to appoint candidates for roles within the organisation based on merit through fair and open competition. It seeks to ensure equality of opportunity for all staff regardless of gender, age, community background or disability in relation to its employment practices.

In respect of disabled persons, CJI's staff policies default to those of the DoJ (its sponsoring department) and the wider NICS with regard to Section 75 of the Northern Ireland Act 1998, the Disability Discrimination Act 1995 and the maintenance and promotion of a diverse and inclusive workforce. This includes supporting alterations to the working environment if required by disabled persons.

During 2019-20 CJI commenced a recruitment exercise to appoint a new Inspector and through this process CJI gave full and fair consideration to any applications for employment received by disabled persons, having regard to their particular aptitudes or abilities. At the end of the financial year, this recruitment competition was still ongoing having been impacted by the Coronavirus Covid-19 pandemic.

CJI was not required to arrange appropriate training for staff who had become disabled during the reporting period to ensure their continuing employment.

Other employee matters

a) Equality and diversity

CJI is committed to creating an inclusive working environment where individual differences are valued and respected, in which each employee is able to fulfil their potential and maximise their contribution. CJI seeks to provide a harmonious workplace where staff feel valued, respected and included and defaults to the NICS policy on equality, diversity and inclusion.

b) Health and safety

CJI undertakes to comply fully with the requirements of the Health and Safety at Work (Northern Ireland) Order 1978 and all other relevant statutory provisions.

CJI will, as far as reasonably practicable, provide and maintain a safe place of work, maintain safe systems of work, and provide working conditions that will ensure a healthy and safe working environment. The health, safety and welfare of all personnel and all others affected by the conduct of their undertakings will be ensured as far as is reasonably practicable. CJI has in place a Health and Safety Policy which reflects this aim and its responsibilities as an employer.

c) Staff support and wellbeing

The health and wellbeing of CJI staff members is of paramount concern. As in other Inspectorates, staff will be expected to work beyond conditioned hours when the need arises, but that will be matched by time off in lieu and flexibility in working practices to meet the needs of those with caring responsibilities.

CJI staff have access to the NICS Welfare Support Service and Employee Assistance Programme.

d) Learning and development

CJI is committed to supporting the continued learning and development of staff acknowledging that skilled and engaged staff are an essential resource in terms of meeting the Inspectorate's current and future business needs and the achievement of its corporate objectives. CJI sees learning and development as a collaborative process involving individual staff members and line managers which is linked to the Performance Management system. CJI is a participant in the Interchange Scheme which provides secondment/development opportunities for staff working within the public sector. Senior management and members of the Inspection Team within CJI are also members of the Chief Executives' Forum and attended a number of events, seminars and training events organised by the Forum throughout the year.

Expenditure on consultancy and temporary staff

During the 2019-20 financial year CJI did not incur any expenditure in relation to external consultancy or temporary staff (2018-19: Nil). Expenditure in relation to internal consultancy (i.e. work carried out by other Government organisations) was £33,872 in 2019-20 (2018-19: £75,000). This expenditure related to support for the achievement of the Inspection Programme.

Off-payroll engagements

CJI had no 'off-payroll' engagements at a cost of over £245 per day or lasting longer than six months during 2019-20 (2018-19: £Nil). This remained the case in-year with no 'off-payroll' engagements at a cost of over £245 per day or lasting longer than six months in place as at 31 March 2020.

Exit packages

There were no exit packages agreed or in place within CJI during 2019-20 or 2018-19.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

ASSEMBLY ACCOUNTABILITY DISCLOSURES (AUDITED INFORMATION)

Regularity of Expenditure

Losses and special payments

There were no losses or special payments in 2019-20 (2018-19: £Nil).

Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Northern Ireland Assembly reporting requirements. CJI had no significant remote contingent liabilities during 2019-20 (2018-19: £Nil) that require disclosure. Note 14 to the Accounts provides further details regarding the contingent liabilities that are included within the financial statements.

Accountability Report



James Corrigan
Chief Executive and Accounting Officer

20 October 2020

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

I certify that I have audited the financial statements of the Criminal Justice Inspection Northern Ireland for the year ended 31 March 2020 under the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Criminal Justice Inspection Northern Ireland's affairs as at 31 March 2020 and of the Criminal Justice Inspection Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice directions issued thereunder.

Opinion on Regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Criminal Justice Inspection Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Criminal Justice Inspection Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Criminal Justice Inspection Northern Ireland has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Criminal Justice Inspection Northern Ireland's ability to continue to adopt the going concern basis.

Other Information

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

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

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Justice directions made under the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010

My objectives are to obtain 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.

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

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

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

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability 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 the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office

106 University Street
Belfast
BT7 1EU

30 October 2020

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2020

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

| | Note | 2019-20 £ | 2018-19 Restated £ |
|---|------|------------------|--------------------------|
| Revenue from contracts with customers | | - | - |
| Other operating income | 4 | (48) | (28) |
| Total operating income | | (48) | (28) |
| Staff costs | 3 | 842,737 | 785,557 |
| Purchase of goods and services | 3 | 238,558 | 263,159 |
| Depreciation and impairment charges | 3 | 3,495 | 4,876 |
| Total operating expenditure | | 1,084,790 | 1,053,592 |
| Net operating expenditure | | 1,084,742 | 1,053,564 |
| Finance expense | | - | - |
| Net expenditure for the year | | 1,084,742 | 1,053,564 |
| Other comprehensive net expenditure | | | |
| Items that will not be reclassified to Net operating expenditure: | | | |
| Net (gain)/loss on revaluation of property, plant and equipment | 5 | (21) | 9 |
| Net (gain)/loss on revaluation of intangible assets | 6 | (114) | (7) |
| Comprehensive net expenditure for the year | | 1,084,607 | 1,053,566 |

The notes on pages 64 to 78 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

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

| | Note | 2020 £ | 2019 Restated £ |
|---|------|------------------|-----------------------|
| Non-current assets: | | | |
| Property, plant and equipment | 5 | 7,399 | 9,677 |
| Intangible assets | 6 | 5,281 | 264 |
| Total non-current assets | | 12,680 | 9,941 |
| Current assets: | | | |
| Trade and other receivables | 9 | 2,159 | 4,289 |
| Cash and cash equivalents | 8 | 969 | 3,083 |
| Total current assets | | 3,128 | 7,372 |
| Total assets | | 15,808 | 17,313 |
| Current liabilities | | | |
| Trade and other payables | 10 | (162,779) | (203,677) |
| Total current liabilities | | (162,779) | (203,677) |
| Total assets less total liabilities | | (146,971) | (186,364) |
| Taxpayers' equity and other reserves | | | |
| General Fund | | (147,165) | (186,544) |
| Revaluation Reserve | | 194 | 180 |
| Total equity | | (146,971) | (186,364) |

The financial statements on pages 60 to 63 were approved by the Audit and Risk Assurance Committee on 15 October 2020 and were signed on its behalf by:



James Corrigan
Chief Executive and Accounting Officer
 20 October 2020

The notes on pages 64 to 78 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

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

| | Note | 2019-20 £ | 2018-19 Restated £ |
|---|------|--------------------|--------------------------|
| Cash flows from operating activities | | | |
| Net expenditure for the year | | (1,084,742) | (1,053,564) |
| Adjustment for non-cash transactions | 3 | 3,655 | 5,852 |
| (Increase)/decrease in trade and other receivables | 9 | 2,130 | (2,293) |
| <i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i> | | - | (281) |
| Increase/(decrease) in trade and other payables | 10 | (40,898) | 26,943 |
| <i>Less movements in payables relating to items not passing through the Net Expenditure account</i> | | - | 475 |
| Net cash outflow from operating activities | | (1,119,855) | (1,022,868) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 5 | (905) | (594) |
| Purchase of intangible assets | 6 | (5,354) | (475) |
| Net cash outflow from investing activities | | (6,259) | (1,069) |
| Cash flows from financing activities | | | |
| Grants from sponsoring department | | 1,124,000 | 1,024,000 |
| Net financing | | 1,124,000 | 1,024,000 |
| Net increase/(decrease) in cash and cash equivalents in the period | | (2,114) | 63 |
| Cash and cash equivalents at the beginning of the period | 8 | 3,083 | 3,020 |
| Cash and cash equivalents at the end of the period | 8 | 969 | 3,083 |

The notes on pages 64 to 78 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR YEAR ENDED 31 MARCH 2020

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

| | General Fund £ | Revaluation Reserve £ | Taxpayers' Equity £ |
|--|-------------------|-----------------------------|---------------------------|
| Balance at 31 March 2018 | (157,417) | 619 | (156,798) |
| Grants from Sponsoring department | 1,024,000 | - | 1,024,000 |
| Comprehensive net expenditure for the year | (1,053,564) | (2) | (1,053,566) |
| Other reserves movements including transfers | 437 | (437) | - |
| Balance at 31 March 2019 | (186,544) | 180 | (186,364) |
| Grants from Sponsoring department | 1,124,000 | - | 1,124,000 |
| Comprehensive net expenditure for the year | (1,084,742) | 135 | (1,084,607) |
| Other reserves movements including transfers | 121 | (121) | - |
| Balance at 31 March 2020 | (147,165) | 194 | (146,971) |

The notes on pages 64 to 78 form part of these accounts.

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury. 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 CJI for the purpose of giving a true and fair view has been selected. The particular policies adopted by CJI are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

a) Accounting convention

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

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

b) Pensions

Past and present employees are covered by the provisions of the NICS pension arrangements which are described in the Salary and Pension Entitlements section of the Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependants' benefits. The organisation recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of the defined contribution elements of the schemes, the organisation recognises the contributions payable for the year.

c) Staff costs

Under IAS19, Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end.

d) Operating leases

Assets leased under operating leases are not recorded on the Statement of Financial Position. Rental payments are charged directly to the Statement of Comprehensive Net Expenditure (SOCNE) on a straight line basis over the period of the lease.

e) Grant-in-aid

CJI is funded by Grant-in-Aid from the Department of Justice (DoJ). Grant-in-aid matches CJI's cash needs, is accounted for on a cash basis as financing and is reflected in Taxpayers' Equity.

f) Property, plant and equipment

Expenditure on property, plant and equipment is capitalised if it is intended for use on a continuous basis. Property, plant and equipment is valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics. Any gain on revaluation is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses a revaluation loss on the same asset previously recognised in that Account. Other gains are credited to the Revaluation Reserve. Losses arising on revaluation are taken to the Revaluation Reserve unless they exceed previous revaluation gains in which case they are taken to the Statement of Comprehensive Net Expenditure.

g) Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis to write off the cost or revaluation less any residual value evenly over the asset's anticipated life as follows:

| | | |
|--------------------------------|---|-----------------------|
| Office Refurbishment | - | 10 years; |
| Computer Equipment | - | five to 10 years; and |
| Furniture and Office Equipment | - | up to 15 years. |

A further adjustment is made for any backlog depreciation arising from the requirement to value assets by reference to current costs and from this the backlog depreciation is posted to the revaluation reserve.

h) Realised element of depreciation from Revaluation Reserve

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

i) Intangible assets

Intangible assets which comprise computer software and software licenses are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics. Any gain on revaluation is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses a revaluation loss on the same asset previously recognised in that Account. Other gains are credited to the Revaluation Reserve. Losses arising on revaluation are taken to the Revaluation Reserve unless they exceed previous revaluation gains in which case they are taken to the Statement of Comprehensive Net Expenditure.

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

j) Contingent liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, CJI discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside CJI's control, unless their likelihood is considered to be remote.

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

k) Value added tax

CJI is not eligible to register for VAT and all costs are shown inclusive of VAT.

l) Corporation tax

As an Executive Non-Departmental Public Body (NDPB), CJI falls within the scope of Corporation Tax provision in respect of trading profits. Activities have been appropriately assessed and are not considered to be trading and therefore are not subject to Corporation Tax.

m) Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of the cumulative indexation revaluation adjustments to non-current assets.

n) Financial instruments

i) Recognition and de-recognition of Financial assets and Financial liabilities

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

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

ii) Financial assets

Cash and cash equivalents

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

iii) Financial liabilities

Trade and other payables

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

o) Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Office's accounting policies. CJI continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing material adjustment to the carrying amount of assets and liabilities are discussed below.

Depreciation of plant, property and equipment - Depreciation is provided so as to write-down the respective assets to their residual values over their expected lives, and as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1g.

Amortisation of intangible assets - Amortisation is provided so as to write-down the respective assets to their residual values over their expected lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1i.

p) Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2019-20 financial year:

CJI has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for CJI's accounting periods beginning on or after 1 April 2019 or later periods, but which CJI has not adopted early. Other than as outlined below, CJI considers that these are not relevant or material to its operations.

Review of Financial Process:

| Standard | Comments |
|--|--|
| IFRS 10 - <i>Consolidated Financial Statements</i> | The International Accounting Standards Board (IASB) issued new and amended Standards (IFRS 10, IFRS 11 and IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These Standards were effective with EU adoption from 1 January 2014. |
| IFRS 11 - <i>Joint Arrangements</i> | |
| IFRS 12 - <i>Disclosure of Interests in Other Entities</i> | Accounting boundaries for IFRS purposes are currently adapted in the <i>FReM</i> so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by HM Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards. |

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

CJI has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for CJI's accounting periods beginning on or after 1 April 2020 or later periods, but which CJI has not adopted early. Other than as outlined below, CJI considers that these Standards are not relevant or material to its operations.

| | |
|--------------------------------|---|
| Standard | IFRS 16 <i>Leases</i> (replaces IAS 17 <i>Leases and related interpretations</i>) |
| Effective date | January 2019 (EU endorsed 31 October 2017) |
| FReM application | 2021-22 |
| Description of revision | <p>The IASB issued IFRS 16 in January 2016 with an effective date for annual periods beginning on or after 1 January 2019. Early application is permitted for those entities applying IFRS 15.</p> <p>IFRS 16 represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. A lessee is required to recognise assets and liabilities for all leases, unless they qualify for low value or short-term exemptions. In addition, there are updated disclosure requirements.</p> <p>The lessor accounting model is generally unchanged from IAS 17 but entities should be aware of the introduction and impacts of IFRS 9 <i>Financial Instruments</i>, enhanced disclosure requirements and that a sub-lessor now determines whether a lease is finance or operating based on the right of use asset it subleases.</p> |
| Comments | <p>IFRS 16 <i>Leases</i> replaces IAS 17 <i>Leases</i> and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.</p> <p>CJI have no leases that require adjustment.</p> |

Financial reporting - future developments

CJI has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations from the 2018-20 Annual improvement cycle, and projects where standards, amendments or interpretations are in development. The Department considers that these changes are not relevant or material to its operations.

q) Prior year restatements

2018-19 figures have been restated to reflect changes made to account code mapping by the Department of Justice as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used as follows:

| Note 3 - Expenditure | 2018-19 Published Accounts £ | Reclassification £ | 2018-19 Restated £ |
|--|---------------------------------------|-----------------------|--------------------------|
| IT, communications and office services | 21,172 | 1,915 | 23,087 |
| Other expenditure | 2,323 | (1,916) | 407 |
| | 23,495 | (1) | 23,494 |

2. STATEMENT OF OPERATING EXPENDITURE BY OPERATING SEGMENT

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

3. EXPENDITURE

| | Note | 2019-20 £ | 2018-19 *Restated £ |
|--|------|------------------|---------------------------|
| Staff costs**: | | | |
| Wages and salaries | | 586,056 | 578,457 |
| Social security costs | | 66,622 | 65,603 |
| Other pension costs | | 190,059 | 141,497 |
| | | 842,737 | 785,557 |
| Purchase of goods and services: | | | |
| Cash items: | | | |
| Accommodation costs, maintenance and utilities | | 33,129 | 34,767 |
| IT, communications and office services | | 34,654 | 23,087 |
| Contracted out and managed services | | 97,470 | 100,902 |
| Professional and consultancy costs | | 36,063 | 75,510 |
| Staff related costs | | 23,557 | 15,010 |
| Audit fees | | 12,700 | 12,500 |
| Other expenditure | | 825 | 407 |
| | | 238,398 | 262,183 |
| Non-cash items: | | | |
| (Profit)/loss on disposal of property, plant and equipment | | 160 | 695 |
| Increase/(decrease) in impairment of receivables | | - | 281 |
| | | 238,558 | 263,159 |
| Depreciation and impairment charges: | | | |
| Depreciation | 5 | 3,051 | 4,644 |
| Amortisation | 6 | 451 | 218 |
| Net (gain)/loss on revaluation | | (7) | 14 |
| | | 3,495 | 4,876 |
| Total | | 1,084,790 | 1,053,592 |

* 2018-19 figures have been restated to reflect changes made to account code mapping by the Department of Justice as part of its preparatory work for the implementation of the Review of Financial Process. This includes items of expenditure being reclassified within categories of programme expenditure, as well as minor adjustments to rounded figures used.

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

4. INCOME

| | 2019-20 £ | 2018-19 £ |
|-------------------------------|--------------|--------------|
| Other non-trading income | 48 | 28 |
| Other operating income | 48 | 28 |

5. PROPERTY, PLANT AND EQUIPMENT

| | Refurbishment Costs £ | Office Equipment, Furniture and Fittings £ | Computer Equipment £ | Total £ |
|---|-----------------------------|--|----------------------------|---------------|
| 2019-20 | | | | |
| Cost or valuation | | | | |
| At 1 April 2019 | 18,805 | 33,915 | 9,992 | 62,712 |
| Additions | - | 240 | 665 | 905 |
| Disposals | - | (107) | (367) | (474) |
| Revaluation released to SOCNE | - | - | 18 | 18 |
| Revaluations | - | 11 | 34 | 45 |
| At 31 March 2020 | 18,805 | 34,059 | 10,342 | 63,206 |
| Depreciation | | | | |
| At 1 April 2019 | 13,289 | 32,854 | 6,892 | 53,035 |
| Charged in year | 1,182 | 599 | 1,270 | 3,051 |
| Disposals | - | (107) | (207) | (314) |
| Revaluation released to SOCNE | - | - | 11 | 11 |
| Revaluations | - | 9 | 15 | 24 |
| At 31 March 2020 | 14,471 | 33,355 | 7,981 | 55,807 |
| Carrying amount at 31 March 2020 | 4,334 | 704 | 2,361 | 7,399 |
| Carrying amount at 31 March 2019 | 5,516 | 1,061 | 3,100 | 9,677 |

Asset financing:

| | | | | |
|---|--------------|------------|--------------|--------------|
| Owned | 4,334 | 704 | 2,361 | 7,399 |
| Carrying amount at 31 March 2020 | 4,334 | 704 | 2,361 | 7,399 |

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| 2018-19 | Refurbishment Costs £ | Office Equipment, Furniture and Fittings £ | Computer Equipment £ | Total £ |
|---|-----------------------------|---|----------------------------|---------------|
| Cost or valuation | | | | |
| At 1 April 2018 | 18,805 | 33,394 | 101,490 | 153,689 |
| Additions | - | 60 | 534 | 594 |
| Disposals | - | - | (92,001) | (92,001) |
| Revaluation released to SOCNE | - | - | (21) | (21) |
| Revaluations | - | 461 | (10) | 451 |
| At 31 March 2019 | 18,805 | 33,915 | 9,992 | 62,712 |
| Depreciation | | | | |
| At 1 April 2018 | 12,107 | 30,242 | 96,895 | 139,244 |
| Charged in year | 1,182 | 2,166 | 1,296 | 4,644 |
| Disposals | - | - | (91,306) | (91,306) |
| Revaluation released to SOCNE | - | - | (7) | (7) |
| Revaluations | - | 446 | 14 | 460 |
| At 31 March 2019 | 13,289 | 32,854 | 6,892 | 53,035 |
| Carrying amount at 31 March 2019 | 5,516 | 1,061 | 3,100 | 9,677 |
| Carrying amount at 31 March 2018 | 6,698 | 3,152 | 4,595 | 14,445 |

Asset financing:

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Owned | 5,516 | 1,061 | 3,100 | 9,677 |
| Carrying amount at 31 March 2019 | 5,516 | 1,061 | 3,100 | 9,677 |

Property, plant and equipment are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics.

6. INTANGIBLE ASSETS

| 2019-20 | Software and licences £ | Website £ | Total £ |
|---|-------------------------------|--------------|--------------|
| Cost or valuation | | | |
| At 1 April 2019 | 1,540 | - | 1,540 |
| Additions | 2,054 | 3,300 | 5,354 |
| Disposals | - | - | - |
| Revaluation released to SOCNE | - | - | - |
| Revaluations | 56 | 73 | 129 |
| At 31 March 2020 | 3,650 | 3,373 | 7,023 |
| Amortisation | | | |
| At 1 April 2019 | 1,276 | - | 1,276 |
| Charged in year | 301 | 150 | 451 |
| Disposals | - | - | - |
| Revaluation released to SOCNE | - | - | - |
| Revaluations | 12 | 3 | 15 |
| At 31 March 2020 | 1,589 | 153 | 1,742 |
| Carrying amount at 31 March 2020 | 2,061 | 3,220 | 5,281 |
| Carrying amount at 31 March 2019 | 264 | - | 264 |

Asset financing:

| | | | |
|---|--------------|--------------|--------------|
| Owned | 2,061 | 3,220 | 5,281 |
| Carrying amount at 31 March 2020 | 2,061 | 3,220 | 5,281 |

6. INTANGIBLE ASSETS (CONTINUED)

| 2018-19 | Software and licences £ | Website £ | Total £ |
|---|-------------------------------|--------------|--------------|
| Cost or valuation | | | |
| At 1 April 2018 | 13,395 | - | 13,395 |
| Additions | - | - | - |
| Disposals | (11,868) | - | (11,868) |
| Revaluation released to SOCNE | - | - | - |
| Revaluations | 13 | - | 13 |
| At 31 March 2019 | 1,540 | - | 1,540 |
| Amortisation | | | |
| At 1 April 2018 | 12,920 | - | 12,920 |
| Charged in year | 218 | - | 218 |
| Disposals | (11,868) | - | (11,868) |
| Revaluation released to SOCNE | - | - | - |
| Revaluations | 6 | - | 6 |
| At 31 March 2019 | 1,276 | - | 1,276 |
| Carrying amount at 31 March 2019 | 264 | - | 264 |
| Carrying amount at 31 March 2018 | 475 | - | 475 |

Asset financing:

| | | | |
|---|------------|----------|------------|
| Owned | 264 | - | 264 |
| Carrying amount at 31 March 2019 | 264 | - | 264 |

Intangible assets comprise software licenses and the associated implementation costs of purchase.

Intangible assets are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics.

7. FINANCIAL INSTRUMENTS

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

8. CASH AND CASH EQUIVALENTS

| | 2019-20 £ | 2018-19 £ |
|--|--------------|--------------|
| Balance at 1 April | 3,083 | 3,020 |
| Net change in cash and cash equivalent balances | (2,114) | 63 |
| Balance at 31 March | 969 | 3,083 |
| The following balances at 31 March were held at: | | |
| Commercial banks and cash in hand | 969 | 3,083 |
| Balance at 31 March | 969 | 3,083 |

9. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

| | 2019-20 £ | 2018-19 £ |
|--|--------------|--------------|
| Amounts falling due within one year | | |
| Prepayments and accrued income | 2,159 | 4,289 |
| Total | 2,159 | 4,289 |

10. TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

| | 2019-20 £ | 2018-19 £ |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Trade payables | - | 380 |
| Other payables | 65,187 | 65,915 |
| Accruals and deferred income | 97,592 | 137,382 |
| Total | 162,779 | 203,677 |

11. CAPITAL COMMITMENTS

At 31 March 2020 there were no capital commitments contracted (2018-19: £Nil).

12. COMMITMENTS UNDER LEASES

Operating leases

There were no operating lease commitments at 31 March 2020 (2018-19: £Nil).

Finance leases

There were no finance lease commitments at 31 March 2020 (2018-19: £Nil).

13. RELATED PARTY TRANSACTIONS

CJI is a Non-Departmental Public Body (NDPB) and is sponsored by the DoJ. The DoJ is considered to be CJI's ultimate controlling party. The DoJ is regarded as a related party. During the accounting period CJI has had various material transactions with the DoJ.

In addition, CJI has had various transactions with other government departments and with HM Inspectorate of Prisons, HM Inspectorate of Constabulary and Fire & Rescue Service and HM Inspectorate of Probation.

No Senior Management Team (Board) member, key manager or other related party has undertaken any material transactions with CJI during the year ended 31 March 2020.

14. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

There were no contingent liabilities at 31 March 2020.

15. EVENTS AFTER THE REPORTING PERIOD

Other than as noted below, there were no events after the reporting date that required disclosure.

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020

These regulations came into operation on 24 April 2020 and allows those workers for whom it was not reasonably practicable to take annual leave as a result of the Coronavirus Covid-19 pandemic to carry forward, up to four weeks' annual leave into the next two leave years. Any exemption will apply only to circumstances where it was not reasonably practicable for workers to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by CJI. It is not possible for CJI to give a reasonable estimate of the impact at this time.

Date for authorisation and issue

The Accounting Officer authorised these financial statements for issue on 30 October 2020.

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