

Forensic Science Northern Ireland

ANNUAL REPORT AND ACCOUNTS 2022-23

HC 1598



Forensic Science Northern Ireland

ANNUAL REPORT AND ACCOUNTS 2022-23

For the year ended 31 March 2023

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PERFORMANCE REPORT

OVERVIEW

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

- A statement from the Chief Executive providing their perspective on the performance of the Agency over the period;
- A statement of the purpose, activities and business model of the Agency;
- The key issues and risks that could affect the Agency in delivering its objectives; and,
- A performance summary.

Chief Executive's Statement

I am pleased to present the Annual Report and Accounts for Forensic Science Northern Ireland (FSNI or the Agency) for the year ending 31 March 2023.

At the outset, I would like to acknowledge and thank all of the staff in FSNI who have worked relentlessly to maintain high quality services, meet customer needs, develop services and maintain high governance standards. In the context of significant and increasing vacancy levels and customer demands, I am very proud of their achievements that have only been possible through their dedication, commitment and flexibility, ensuring independent and impartial forensic science provision to the Criminal Justice System (CJS) and people of Northern Ireland (NI).

At the end of March 2023 FSNI had a vacancy rate of 17.9%, which represents a sizable proportion of our workforce. These vacancies are spread right across the Agency however, the vast majority of these empty posts are within our scientific disciplines which increases pressures on the staff in post. It is testament to staff that despite these circumstances our service delivery remains high with no reduction to quality standards.

The current labour shortages have been felt throughout the NI Civil Service (NICS) and FSNI has been no exception, with staff resources stretched. While service delivery and quality has been maintained throughout the year the effect on project work has been felt, with some projects lagging behind their original targets. FSNI has an extensive range of innovation and improvement projects (with approximately 90 projects on our Corporate Project Register ranging across scientific innovation, service delivery improvements, Information Technology (IT) systems and enhanced technological use) and good progress has been made on many of these, despite the high levels of

vacancy within the Agency. FSNI constantly strives for excellence and innovation, and is dedicated to providing a high quality, high performance services at the cutting edge of science.

During the year, FSNI underwent a successful re-assessment exercise by United Kingdom Accreditation Service (UKAS) and accreditation to the ISO/IEC 17025:2017 quality standard was maintained. Work also progressed in relation to the accreditation of FSNI scene attending services to the ISO/IEC 17020:2012 standard. In addition, the Agency achieved accreditation for the following additional methods:

- Bulk Explosives (Dionex) method was granted 14 September 2022;
- Opinions & interpretations for Handwriting & signatures – Questioned Documents was granted 16 November 2022;
- Bulk Explosives (GC-FID) method was granted 2 December 2022;
- Bulk Drugs Spot tests was granted 19 January 2023; and,
- Bulk Drugs Screening method was granted 19 January 2023.

With the effects of the coronavirus (Covid) abating FSNI experienced a reduced rate of Covid related absenteeism, with 0.89% of working days lost during 2022-23, in comparison to 1.7% in 2021-22 and 7.3% in 2020-21. FSNI has also successfully implemented the NICS New Ways of Working policy.

FSNI continues to experience significant disruption with its accommodation presented by the main building roofing issues. To help mitigate the reduced accommodation footprint new temporary office and meeting room space has been secured and is fully operational, a further six 'clean room' porta cabins are currently being commissioned. The main building decant has continued throughout the year and the vast majority of the building is now empty. Additional work will progress in 2023-24 to further secure and separate the laboratory areas which continue in use along with the development of new temporary accommodation secured for FSNI's medium term use.

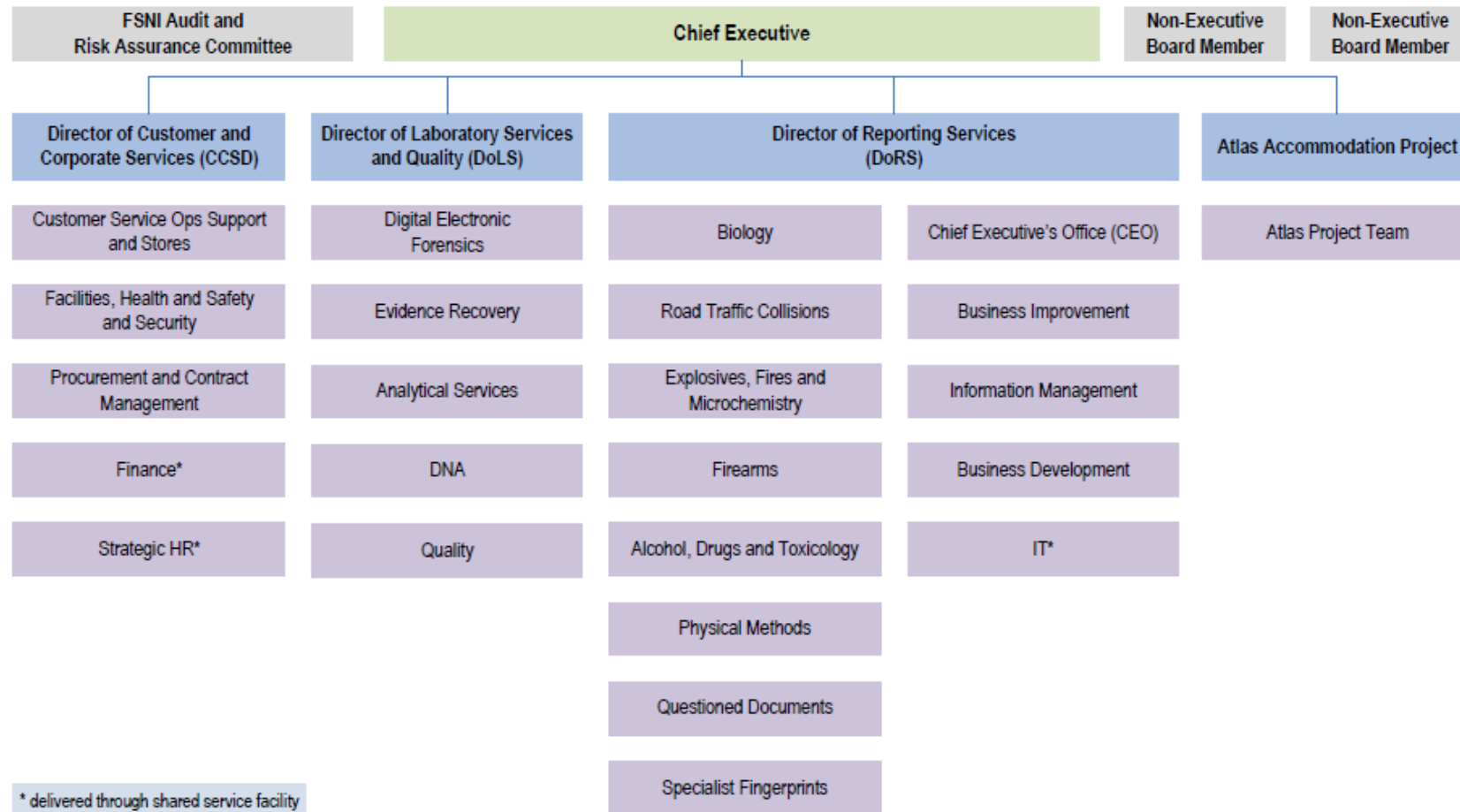
Our longer-term accommodation solution is progressing well. Project Atlas will deliver a new fit-for-purpose forensic laboratory and office accommodation joined to our Locard building and will bring all FSNI services under one roof. The Stage 3 design development is now complete and the Stage 3 Report has been received. In advance of submitting our planning application two Pre Application Community Consultation events were held in March 2023 and the planning application was submitted in June 2023. 2023-24 will see the commencement of the Integrated Supply Team Invitation to Tender process and the coming months will see the beginning of Stage 4 Technical Design.

Good progress has been made in preparation for 2023-24, our goals and targets have been clearly defined and service level requirements identified with customers. A demanding yet realistic business plan has been developed setting out our objectives which encompass both continued high quality service delivery and also innovation which allows us to offer the most effective, efficient and innovative forensic services and techniques to the CJS of NI. While we acknowledge the various issues facing us, including budgetary uncertainty and staffing resources, we start 2023-24 with a highly experienced, tenacious workforce – focused on provision of the highest quality science to the people of NI, well-developed plans for a fit for purpose, future proofed Forensic Laboratory, and a continued focus on innovation and efficiency. A challenging, yet exciting year lies ahead.

G Morton

Chief Executive and Accounting Officer

FORENSIC SCIENCE NORTHERN IRELAND: STRUCTURE 2022-23



Purpose and activities of the organisation

FSNI is an Executive Agency of the Department of Justice (DoJ). Its role is to provide objective scientific advice and support to enhance the delivery of justice.

Agency vision

“To be a World Class provider of integrated forensic science services.”

The Agency's vision and mission statements reflect the emphasis on the organisation being demonstrably business-like and responsive to the needs of customers and stakeholders in the development and delivery of a wide range of high quality, modern, efficient, integrated and affordable specialist forensic services. The Agency's experience in integrating the recovery, analysis and interpretation of diverse evidence types from individual exhibits is one of its key differentiating strengths and permits the optimal exploitation of evidential opportunities – a capability of particular importance in serious crime, which constitutes a significant proportion of FSNI's work.

Agency mission

“Scientific Excellence delivered in partnership supporting justice for all.”

This mission is realised through:

- A scientific support service for criminal justice and other organisations;
- Scientific advice for the Public Prosecution Service (PPS) and the legal profession; and,
- Objective expert testimony to the Courts.

The Agency's ethos is a scientific one, meaning that the objective deductions from the evidence are rigorously arrived at with neutrality as to the conviction or acquittal of defendants and are provided to the Courts through independent expert witness.

Strategies and objectives

In line with other public bodies, the Agency used a Balanced Scorecard and Outcome Focused Business Planning methodology for its planning, monitoring and reporting. The four quadrants of the Balanced Scorecard ensured focus on:

- Collaborative and streamlined service provision responsive to customer and stakeholder needs;
- A culture of innovation and improvement;
- An engaged workforce delivering a quality service in fit for purpose accommodation; and,

- Trusted, assured Corporate Governance demonstrating the value that forensic science brings to the Criminal Justice Sector.

Description of business

FSNI provides a wide range of services, under Memoranda of Understanding (MoUs) with criminal justice organisations, including the Police Service for Northern Ireland (PSNI) and State Pathologist's Department (SPD). FSNI also provides services to other government bodies such as the Office of the Police Ombudsman for Northern Ireland (OPONI), Coroners Service for Northern Ireland, PPS and Her Majesty's Revenue and Customs (HMRC) as well as private customers and solicitors.

The majority of the work involves the recovery, analysis and evaluation of evidence submitted in connection with a range of crimes, from murders, sexual and violent offences, firearms, explosives, arson and assault, through to more volume crime cases such as Driving under the Influence (DUIs), fraud, burglaries and car crimes. The Agency also investigates road traffic collisions and provides analysis for cases involving the possession and/or supply of drugs as well as toxicological analysis for the SPD, to help determine the cause of death.

The recovery and analysis of DNA from exhibits is a central activity, as DNA information is routinely used to assist in investigations (e.g. in eliminating some potential suspects and linking others to incidents) and is closely integrated with the maintenance of the Northern Ireland DNA Database on behalf of the PSNI.

FSNI employs a wide range of forensic disciplines, including DNA; latent fingerprints; explosives; microchemistry; firearms; fires; physical methods; biology; alcohol; drugs and toxicology; road traffic collisions; questioned documents and digital electronics.

FSNI provides an on-call service to attend serious crime and fatal road traffic collision scenes and provides support to the PSNI in the recovery of evidence. FSNI's Reporting Officers advise the PPS on the meaning of scientific evidence and provide objective Expert Witness to the Courts in any subsequent proceedings and prosecution.

The Agency is accredited by the UKAS to the ISO/IEC 17025:2017 standard. The current scope of accreditation for testing and calibration can be found on the [UKAS website](#).

Principal risks and uncertainties

The main risks to the Agency's business objectives are:

- Insufficient staff resources in place and the ability to recruit and complete security vetting in a timely manner in order to deliver agreed operational and strategic business objectives including response to critical incidents and priority casework;
- Insufficient funding provision to meet financial obligations and inability to sufficiently mitigate against resource pressures will result in the loss of specialist services and inadequate resource levels available to meet expected turnaround times and performance targets;
- Failure to maintain and extend accreditation against the ISO 17025:2017 standard will result in reputational damage; customers could choose to take their business elsewhere; loss of income and also challenge in court due to lack of accreditation or a significant quality failure;
- The lack of resources available to undertake continuous professional development; assess opportunities provided by emerging technologies and failure to innovate will impact on FSNI's ability to meet the changing needs/expectations of customers and to modernise to capture further efficiencies and drive process improvements and effectiveness;
- Ensuring sufficient resources are aligned to managing wide-ranging information assurance requirements whilst developing management information in support of business optimisation;
- Continued disruption to business associated with the loss of access to the main admin building due to structural roofing issues and the continued use of temporary accommodation whilst progressing the development of new accommodation; and,
- Conflicting work pressures resulting in non-compliance with Health and Safety (H&S) and best practice, including the failure of H&S controls, procedures, equipment or facilities may result in injury or death of staff, contractors or visitors.

FSNI managed these risks through well-established governance structures and by putting mitigations in place as early as possible to minimise the risk. Significant time was devoted to the delivery of key actions and communication plans required to lead the Agency through the very fluid situation caused by the continued resourcing challenges and accommodation problems. Each risk was pro-actively managed with a view to minimising impact and this made a significant contribution to FSNI's ability to meet the majority of objectives despite the very challenging environment.

Going concern

These Accounts have been prepared on a going concern basis.

Performance summary

FSNI is located at the Seapark site near Carrickfergus. The Agency occupies a mix of accommodation on the site including a custom built high care laboratory building (Locard), several porta-cabins and part of a converted cigarette factory.

During the year, FSNI continued to operate with a mix of workplace based and remote working following the loss of a large part of its accommodation. FSNI can only use up to 19% of the main building and has lost approximately 34% of its total accommodation. This development put significant strain on the remaining accommodation throughout 2022-23, which is especially apparent in laboratory services and support teams.

During the year, FSNI continued to experience very high levels of staff vacancies. At 31 March 2023 there were 37 vacancies compared to 19 on 31 March 2022. The vacancy rate this year end has increased to 17.9% of Agency's approved headcount from 9.2% the prior year. The majority of these posts are in the scientific grades. This has negatively impacted the capacity of the Laboratory. This impact has been partly mitigated by the increased use of overtime. FSNI are working with NICS Human Resources (NICSHR) to fast-track scientific staff recruitment. Staff turnover for FSNI has again remained at significantly high levels compared to the wider NICS, see page 54.

The Covid pandemic caused minimal disruption during 2022-23. As a result of the pandemic in 2022-23, FSNI lost 324 working days (2021-22: 656 days, 2020-21: 3,610 days). This was equivalent to 0.89% (2021-22: 1.7%, 2020-21: 7.3%) of the available staff resource to FSNI. These days were lost as a result of staff testing positive for Covid and unfit for work or having to self-isolate and unable to work from home. It does not include days where staff had tested positive for Covid or were self-isolating but were able to work from home.

Looking forward

The focus for 2023-24 will be on:

- Working in partnership with stakeholders and customers to deliver collaborative projects and ensure criminal justice needs are met;
- Delivering efficient and effective forensic science services;
- Promoting and improving the understanding of the value that forensic science brings to the CJS;
- Working with NICSHR to improve the timeliness in the recruitment to fill vacancies;

- Promoting staff well-being and providing a safe environment for our staff as we continue to deal with the impact of the accommodation issues;
- Supporting the delivery of the Northern Ireland Forensic Services Strategy;
- Supporting the requirements of the Criminal Justice Inspectorate NI (CJINI) inspection into Forensic Services (undertaken in March 2023) and delivering the agreed in-year actions in response;
- Promoting and encouraging new ideas, learning and innovation;
- Continuous business improvement through the development and use of Management Information (MI);
- Enhancing co-operation with forensic service providers in the United Kingdom (UK) and in other jurisdictions;
- Maintaining and extending the range of ISO/IEC 17025:2017 accredited services;
- Continuing to focus on good governance including risk management and compliance with legislation and regulations;
- Planning approval submitted and a building contractor procurement commencing to build the replacement accommodation approved; and,
- Securing sufficient funding to meet the forensic needs of the CJS.

PERFORMANCE ANALYSIS

Review of performance

Whilst there continued to be an impact associated with the Covid pandemic in 2022-23, this was significantly less than the previous two years and continued to be off-set by the ability of a number of staff continuing to work from home. However, much resource continued to be diverted from normal business to ensuring business continuity and managing the accommodation at our disposal as a result of the continuing main building roofing issue. Much effort has gone into the clearing of this building in order to protect assets and during the year additional temporary accommodation has continued to develop to supplement on-site facilities including a meeting room, individual high care laboratories and laboratory accommodation.

Of significant challenge was the high level of vacancies carried during the year as a result of the challenges associated with recruitment and high level of staff turnover. Whilst a large element of staff turnover was as a result of both internal to FSNI and external to the NICS promotions, there was a significant increase in the percentage of staff resigning. This significant impact is made all the more challenging by the slow pace of recruitment and time taken to undertake the necessary pre-employment checks particularly security vetting. Whilst FSNI worked hard to highlight the impact on the organisation as a result of recruitment challenges, many of the issues were outside the control of the organisation.

Demand against agreed PSNI MoU capacity levels has continued to be strong in the volume areas of Biology (130%), Questioned Documents (116%), Fires (167%) and Toxicology (110%). At year-end, 11 of 13 end-to-end targets had been achieved, a most pleasing result given the level of demand, high level of vacancies and continuing accommodation challenges.

FSNI agreed a number of key performance indicators and targets in the 2022-23 MoU with PSNI. At year-end, these had either been achieved or significant progress made. These included:

- Ensuring that 80% of all reports issued within 95 days (86% was achieved);
- Delivering 100% of all urgent work requests within pre-agreed timeframes;
- 11 of 13 end-to-sectional targets being met; and,
- All requests for scene attendance met within agreed timeframes.

There was a median average of 61 days for all reports issued.

FSNI provide a 24/7 on-call service to the PSNI in many disciplines. This valued on-call service has provided almost 3,013 hours scene attendance with 1,694 of these hours worked outside normal working hours. Given that many on-call rotas are supported by small teams, it is testament of staff commitment that we have been able to respond to all scenes requested. Of note must be Road Traffic Collisions (RTC) Unit who have seen an increase in the number of cases submitted and scenes attended. This small team dealt with 67 cases this year, a combination of “live” scene attendance and “cold case” submissions. With an arduous on-call rota, this included days with back-to-back scene call-outs requiring attendance at scenes often with multiple fatalities.

Over the past few years, we have increased our resources in Toxicology as increasing demand had meant that we had to supplement internal capacity with that of a brokering partner. Staff recruitment and training has enabled capacity to significantly increase year on year and has resulted in no requirement to broker any casework in 2022-23.

The UKAS visit this year was FSNI’s four year reassessment visit to assess the organisation to the requirements of ISO/IEC 17025:2017 and ILAC G19 08/14, UKAS documents LAB 13 for accreditation of opinion and interpretations, GEN 6 for reference to accreditation and LAB 51 for the analysis of samples for toxicology analysis were also used in this assessment. As a provider to the National DNA Database, assessment to the Home Office agreed requirements of LAB 32 was also undertaken. Assessment was undertaken for both testing and calibration.

Accreditation was subsequently granted on 16 November 2022. In addition, FSNI also obtained Extensions to Scopes (ETS) for five new methods, see page 24 for further information.

A progress report outlining the work completed in the first year of the Forensic Services Strategy 2021-26 was published in November 2022. Despite the challenging circumstances around staffing and budgetary constraints, FSNI made further progress across all four pillars during the second year of the strategy. An in-depth report covering Year 2 will be published later in the year.

Performance against Key Performance Targets

The following are the published targets taken from the Outcome Focused Business Plan.

1. Customers – Collaborative and streamlined service provision responsive to customer and stakeholder needs

High Level Outcome	Key Indicators	Key Actions	Outcome
Services aligned to changing customer needs	Delivery of FSNI commitments within the 2022-23 PSNI MoU	By 31 March 2023 to achieve key performance indicators agreed in the PSNI MoU	PARTLY ACHIEVED End-to-end targets missed in two disciplines as a result of levels of demand and staff resourcing challenges
		Work jointly with PSNI on the delivery of Forensic Science Oversight Group (FSOG) Projects including development of a Forensic Drugs Testing strategy and work in partnership with PSNI to make recommendations on function and processes that will be advanced within the Forensic Gateway model to the FSOG by 31 March 2023	ACHIEVED
Customers and stakeholders recognise the value FSNI brings to the CJS	Implementation of FSNI Actions in Support of the Joint PSNI/FSNI DNA Strategy	By 30 April 2022 to review and update the joint FSNI/PSNI 5 year DNA Strategy Delivery Plan	ACHIEVED
		By 31 March 2023 to deliver the in-year actions in the DNA Strategy	PARTLY ACHIEVED Y-STR and Enhanced DNA-17 behind profile. Assessment of rapid DNA profiling and small platform robotics complete.
	Delivery of FSNI Actions in the customer and stakeholder engagement plan	By 30 April 2022 to review and update the FSNI Communication and Stakeholder Engagement action plan for 2022-23	ACHIEVED
		By 31 March 2023 to deliver the in-year actions in the customer and stakeholder engagement plan	ACHIEVED
Ensure strategic alignment with the Department	Support requirements of CJINI Report into FSNI	Co-ordinate responses/provision of all necessary support to CJINI Audit Action Plan and Deliver any in-year agreed recommendations within agreed timescales	ACHIEVED

High Level Outcome	Key Indicators	Key Actions	Outcome
and other stakeholders	Support DoJ delivery of Speeding Up Justice Public Accounts Committee (PAC) recommendations	Support DoJ in delivering against Speeding Up Justice PAC recommendations through MI developments to feed into Crown Court timeliness, pre-trial engagement and reduced court adjournments	ACHIEVED
Ensure strategic alignment with other Departments and other stakeholders	FSNI support to Department of Health (DoH) Strategy to Tackle Harm from Substance Use	FSNI support to DoH Strategy to Tackle Harm from Substance Use including the development/provision of MI – Driving Data & Toxicology Database and where possible provision of drugs intelligence	ACHIEVED

2. Processes – a culture of innovation and improvement

High Level Outcome	Key Indicators	Key Actions	Outcome
Develop and implement an integrated quality assurance model	Maintain accreditation against the UKAS ISO 17025:2017 Standard	By 31 March 2023 to retain accreditation in line with the 4 year reaccreditation visit to ISO 17025 standard	ACHIEVED
		Review and update the 3 year ETS Plan by 30 June 2022	ACHIEVED
		By 31 March 2023 to deliver the in-year ETS	ACHIEVED
	Identification of actions required to achieve accreditation to the requirements of the ISO 17020 Standard	By 30 April 2022 to review and update the ISO 17020 accreditation plan	ACHIEVED
		By 31 March 2023 to deliver all key actions identified in the ISO 17020 plan	PARTLY ACHIEVED A number of training procedures for scenes still to be agreed and developed
Drive process efficiency	Delivery of FSNI Business Improvement Plan	By 30 April 2022 to agree the priorities for the 2022-23 Business Improvement Plan	ACHIEVED
	Review of key business process	By 31 March 2023 to deliver the in-year actions in the Business Improvement Plan	PARTLY ACHIEVED The specification for a stock control system was not completed
		Participate in a joint review of Forensic support to RTC and take forward FSNI recommendations arising from the report	ACHIEVED
Ensure excellence in information management and data integrity	Preparedness for legislative change	By 30 June 2022 to refresh in-year actions in the legislation awareness plan	ACHIEVED
		By 31 March 2023 to deliver, in-year actions required from legislation awareness plan	ACHIEVED
Align FSNI's end-to-end Case Management (CM) with the	Delivery of FSNI actions in support of the FSNI, DoJ and	By 30 June 2022 to review and develop the in-year plan for the development of Sample Manager	ACHIEVED

High Level Outcome	Key Indicators	Key Actions	Outcome
needs of CJS stakeholders and faster, fairer Justice	wider CJS ICT strategies	To deliver the in-year actions in the plan to enhance the development of Sample Manager	NOT ACHIEVED Several quick wins deployed within Fires and Bulk Drugs work streams
Develop and implement a joint Research & Development (R&D) programme	Development and implementation of agreed R&D programme	By 31 March 2023 to deliver the in-year actions in the Driving under the influence of Drugs (DUID) delivery plan.	PARTLY ACHIEVED Focus placed on method development and ISO accreditation within Toxicology

3. Organisation – An engaged workforce delivering a quality service in fit for purpose accommodation

High Level Outcome	Key Indicators	Key Actions	Outcome
Develop and exploit effective line of business and MI systems	Delivery of the ICT/Digital Strategy in support of Agency and Justice Modernisation	Review and update the FSNI ICT/Digital Strategy by 30 April 2022	ACHIEVED
		By 31 March 2023 to deliver the in-year actions on the FSNI ICT/Digital Strategy	ACHIEVED
		Delivery of the 2022-23 MI development Plan by 31 March 2023 including benefits realisation from Composite Project Register and Perito MI development	ACHIEVED
Ensure staff are equipped to meet the needs of the organisation	Staff managed in line with the NICS People Strategy and HR policies and procedures. Ensure staff are managed and developed to meet FSNI requirements and delivery a quality service	Delivery against in-year actions of the staffing resource plan including MI reports supporting succession planning, and review of induction and training programs	ACHIEVED
		By 31 May 2022 to develop an action plan in response to FSNI results from the 2021 NICS staff survey	ACHIEVED
		By 31 March 2023 to have delivered the in-year actions in the HR Strategy including implementation of the hybrid working policy, review of career pathway opportunities for staff, and develop a 3 year strategic training plan and delivery of the 2022-23 Well-being plan	PARTLY ACHIEVED The 3 year strategic training plan was not developed
		By 31 March 2023 to support staff welfare by effective management of sick absence in accordance with NICS procedures	ACHIEVED
		By 31 March 2023 to support staff development through effective performance management in accordance with NICS procedures	ACHIEVED
Ensure accommodation and infrastructure meet our current and anticipated requirements	New Accommodation to meet FSNI current and future requirements	Progress the Atlas project and deliver key milestones including Outline Business Case 2 approval, Planning application submitted and Stage 3 Complete with Procurement Strategy approved	PARTLY ACHIEVED The Outline Business Case was approved but the final two aspects of the target were delayed

High Level Outcome	Key Indicators	Key Actions	Outcome
Develop and exploit effective line of business and MI systems	FSNI Business Plan developed and agreed	By 31 March 2023 to develop and agree the FSNI Business Plan for 2023-24	ACHIEVED
Ensure accommodation and infrastructure meet our current and anticipated requirements	Current accommodation and facilities meet FSNI and the wider CJS requirements	Deliver against in-year actions of the accommodation action plan to ensure accommodation remains fit for purpose.	ACHIEVED
		By 31 March 2023 to have completed a desktop exercise to test the FSNI Business Continuity Plan and deliver in year testing plan for the ICT Disaster recovery plan	ACHIEVED
Ensure staff are equipped to meet the needs of the organisation	FSNI staff fully engaged to deliver a strong health and safety culture	By 30 June 2022 to develop a 2022-23 H&S Action Plan	ACHIEVED
		By 31 March 2023 to have delivered the in-year actions in the H&S Plan	ACHIEVED
Develop and exploit effective line of business and MI systems	Compliance with Information Assurance & General Data Protection Regulation (GDPR) legislation and guidance issued	By 30 June 2022 to review and update the Information Assurance Action Plan	ACHIEVED
		By 31 March 2023 to deliver in-year actions from the Information Assurance Action Plan	ACHIEVED
	Trusted Assured Corporate Governance arrangements	To ensure governance arrangements are in place and working effectively	ACHIEVED

4. Finance Perspective – Trusted, assured Corporate Governance demonstrating the value that forensic science brings to the Criminal Justice Sector

High Level Outcome	Key Indicators	Key Actions	Outcome
Ensure adequate funding to support delivery of forensic science for NI	Allocate and manage budgets to all spending areas based on Business priorities	To effectively represent FSNI funding requirements through Long Range Financial Plan aligned strategic plans to DoJ, PSNI and other funders, both resource and capital	ACHIEVED
Manage key resources of staff, non-staff and capital effectively	Final outturn as close to budget as possible	By 31 March 2023 to ensure no overspend and final outturn within 1% of final budget	PARTLY ACHIEVED Resource underspend was less than 1% following utilisation elsewhere in DoJ. Capital was underspent by more than 1% mainly due to delays in procurement.
Realise benefits of the Transformation Programme	Costing model meets FSNI budgetary and financial requirements	By 31 October 2022 to have developed and tested a new costing model	NOT ACHIEVED No additional resources were available to carry out this work
Manage key resources of staff, non-staff and capital effectively	Ensure FSNI achieves value for money for public and stakeholders	Compete a desktop exercise to understanding and document the legislative and authority position of other forensic laboratories	ACHIEVED
		Development and delivery of in-year capital procurement plan to include planned deadlines for business case approval and specification development, procurement and delivery on site	ACHIEVED

Promotion of equality in the delivery of services to different groups in society

In FSNI, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. This inclusive culture extends to the delivery of FSNI services to different groups in society.

In delivery of its services, FSNI has due regard to the three aims of the public sector equality duty under the Equality Act 2010, being:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advancement of equality of opportunity between people who share a protected characteristic and those who do not share it; and,
- Foster good relations between people who share a protected characteristic and people who do not share it.

FSNI does not have customer satisfaction scores broken down by protected groups, as all of FSNI's direct customers are organisations, which in themselves are not protected groups. As a result, FSNI does not maintain key performance indicators (KPIs) to cover the fair treatment of different groups. However, FSNI services are only limited by the Agency's capacity and access to FSNI services are open to all groups.

FSNI does not promote equalities in how services are delivered. The work carried out by FSNI is reactive to crime committed.

The FSNI commitment to equality of opportunity is outlined in the [NICS Equality, Diversity and Inclusion Policy](#).

Financial review

Net expenditure

The net expenditure of the Agency for 2022-23 is compared to the previous two financial years in the table below:

	2022-23	2021-22	2020-21
	£000	*Restated £000	*Restated £000
Total operating income	11,453	11,503	10,948
Staff costs	9,373	9,042	8,551
Purchase of goods and services	4,552	4,510	4,652
Depreciation and impairment charges	2,183	2,124	2,060
Provision expense	-	(37)	33
Total operating expenditure	16,108	15,639	15,296
Net operating expenditure	4,655	4,136	4,348
Finance expense	(98)	26	24
Net expenditure for the year	4,557	4,162	4,372
Notional costs	52	48	35
Net expenditure for the year including notionals	4,609	4,210	4,407

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.21 for further details.

Non-current assets

Non-Current Asset expenditure movements are detailed in the notes to the financial statements. Capital expenditure in 2022-23 totalled £1.410m (2021-22: £1.149m) which included expenditure on Laboratory equipment.

Financial position

The total net assets of the Agency at 31 March 2023 were £18.351m (2021-22: £17.637m).

Cash flow

As detailed in the Statement of Cash Flows, the Agency's Net Assembly draw down in 2022-23 was £3.606m (2021-22: £2.688m) and the net decrease in Cash and cash equivalents in the year was £0.231m (2021-22: decrease £0.109m).

Financial risk

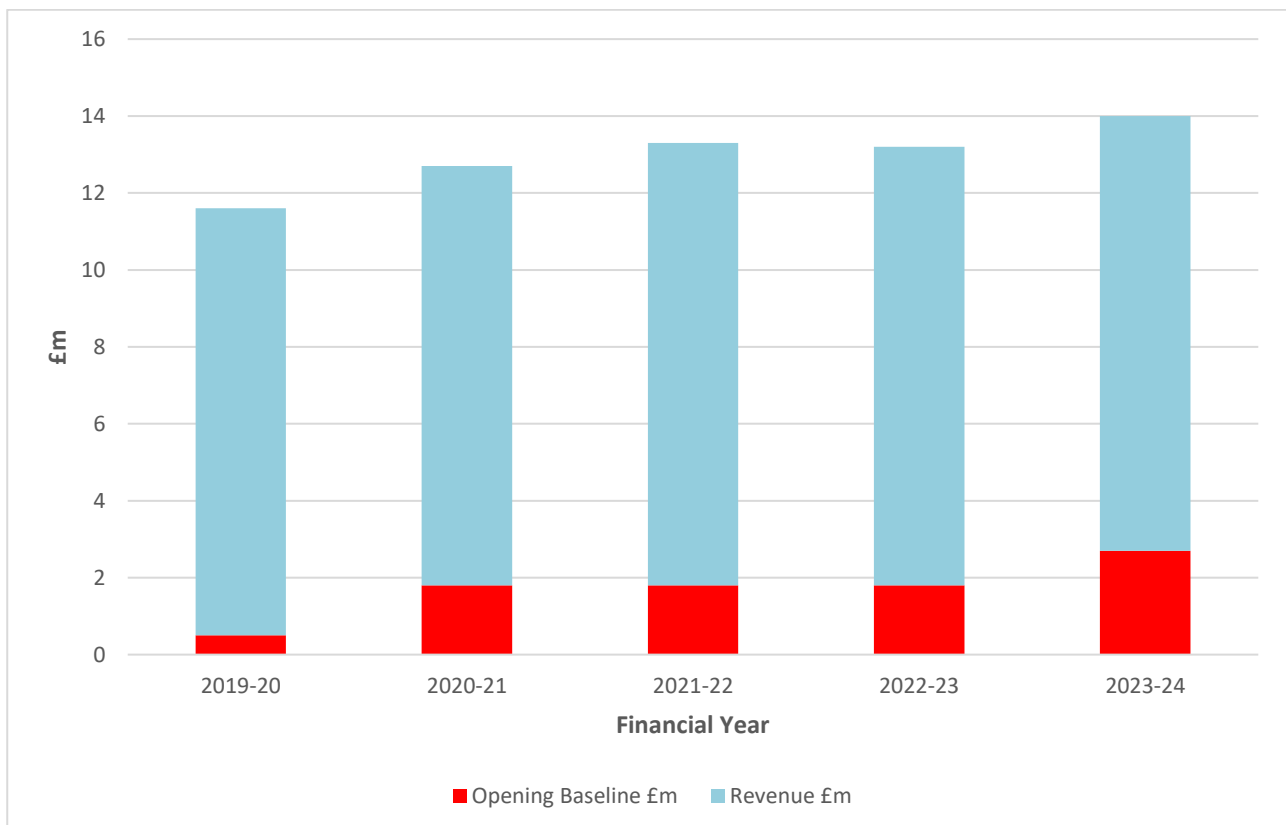
The Agency is mainly reliant on one customer, which accounts for 90% of total revenue income. This customer, however, is also a public body and therefore the risk of non-payment of income is deemed low. The Agency is also supplemented by the DoJ for pressures that are agreed each year amounting to deficit of £4.609m in 2022-23 (2021-22: £4.210m). The deficit in 2022-23 largely relates to non-cash costs, corporate governance costs, posts not funded by customers and increased energy costs.

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

Long-term expenditure trends

Chart 1 below shows the movement in the Agency non-ringfenced Resource Departmental Expenditure Limit (DEL) opening baseline and revenue from customers over the period 2019-20 to 2023-24. The Agency receives revenue from customers and DoJ to cover costs. The chart does not include non-cash costs.

Chart 1: FSNI Non-Ringfenced Resource DEL opening baselines and Revenue from customers



2022-23 financial year

In the absence of an Executive the Northern Ireland Office agreed the individual departmental allocations and an overall Budget for 2022-23. The Secretary of State announced the NI Budget in a Written Ministerial Statement on 24 November 2022 providing the Department with a budget of £1,184.2m*.

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

- A flat cash allocation (2021-22 opening baseline) of £1,086.4m;
- Additional allocation of £58.1m;
- Additional security funding for the PSNI of £31.2m;
- NI Protocol funding of £2.3m;
- Funding for the Tackling Paramilitarism Programme of £8.9m;
- Funding from the NI Consolidated Fund of £1.5m; and,
- Reduced allocation of £4.4m relating to IFRS 16 and other technical adjustments.

*Totals may not add due to roundings

FSNI received £11.453m of income in 2022-23, with £10.325m from the PSNI, and Contingency Planning envelope from the Department of £2.891m.

2023-24 financial year

On 27 April 2023, in a Written Ministerial Statement, the Secretary of State for Northern Ireland set out a final budget for 2023-24. The Written Ministerial Statement provided a non-ringfenced resource budget for the Department of £1,156.7m*.

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

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

*Totals may not add due to roundings

FSNI is due to receive £11.357m of income in 2023-24, with £10.313m from the PSNI, and funding from the Department of £2.732m.

Capital investment priorities

In the absence of an Executive, the Written Ministerial Statement also set out a Capital DEL budget of £128.8m for 2023-24. This includes an additional allocation from HM Treasury for NI Protocol of £0.65m. This will allow the Department to fund statutory, inescapable and high priority capital projects. FSNI have been allocated £2.279m of capital funding for 2023-24.

Looking ahead – budgets beyond 2024-25

Preparatory work for 2024-25 and beyond will be taken forward over the coming months and further strategic decisions will need to be made with the aim of having a budget in place as far in advance of the new financial year as possible.

Audit

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

The notional audit fee for the work performed by the C&AG's staff during the reporting period, and which relates solely to the audit of these financial statements, was £20,500 (2021-22: £17,900).

The C&AG may also undertake other statutory activities that are not related to the audit of the body's financial statements such as Value for Money reports. No such activity took place during 2022-23 or 2021-22.

The Agency paid NIAO £1,319 in 2022-23 for the National Fraud Initiative (NFI) (2021-22: Nil).

Payments to suppliers

The Agency's policy is to pay bills from all suppliers within ten working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. The performance of FSNI for 2022-23 showed that on average 95.2% (2021-22: 94.7%) of invoices were paid within ten working days following receipt of a properly rendered invoice. The average for payment within 30 calendar days was 98.0% (2021-22: 98.1%).

Regulation and legislation

The UKAS visit this year was FSNI's four year reassessment visit to assess the organisation to the requirements of ISO/IEC 17025:2017 and ILAC G19 08/14, UKAS documents LAB 13 for accreditation of opinion and interpretations, GEN 6 for reference to accreditation and LAB 51 for the analysis of samples for toxicology analysis were also used in this assessment. As a provider to the National DNA Database, assessment to the Home Office agreed requirements of LAB 32 were also undertaken. Assessment was undertaken for both testing and calibration.

Alongside the reassessment was an extension to scope for opinion and interpretation related to handwriting and signature comparison, for which accreditation was subsequently granted on 16 November 2022. The assessment was conducted on site over a five week period (5 September - 29 September 2022 and 5 December - 9 December 2022). Two of the UKAS technical assessors were unable to attend the September 2022 site visit as planned, due to illness. This necessitated a further UKAS visit to undertake the technical assessments of these areas i.e. Firearms and Biology/Evidence Recovery Unit (ERU). For the September 2022 site visit, the Lead assessor and ten other technical assessors, covering the various technical disciplines attended during this period.

FSNI was assessed for five new methods, and accreditation subsequently granted:

- Accreditation for the Bulk Explosives (Dionex) method was granted 14 September 2022;
- Accreditation for Opinions & interpretations for Handwriting & signatures – Questioned Documents was granted 16 November 2022;
- Accreditation for the Bulk Explosives (GC-FID) method was granted 2 December 2022;
- Accreditation for Bulk Drugs Spot tests was granted 19 January 2023; and,
- Accreditation for Bulk Drugs Screening method was granted 19 January 2023.

FSNI voluntarily withdrew its accreditation for Mobile Phone examinations, in November 2022. This was due reduced demand for services and to loss of staff from the team during the year. This meant FSNI was unable to comply with robust Quality Assurance processes as per the Agency's Quality Management System (QMS). The Customer was notified of the withdrawal of this service.

The current scope of accreditation for FSNI's testing and calibration can be found on the [UKAS website](#).

Sustainability

The Climate Change Act NI 2022 sets a clear statutory target of net zero emissions by 2050 and places a number of duties on each NI department, with the Department of Agriculture, Environment and Rural Affairs (DAERA) named as the lead department in the Act.

Within the DoJ, the Core Department leads on the strategic approach and is aiming to launch an Outline Sustainability Strategy and associated action plan in 2023-24. The aim is to set out DoJ's commitment to sustainable practices and support DoJ in meeting its obligations under the Climate Change Act (NI) 2022 and in contributing to the first NI Climate Action Plan 2023-2027. Departmental officials also sit on a cross-departmental Strategic Oversight Group and Climate Action Plan Technical Advisory Group, both chaired by DAERA.

FSNI is currently working out of temporary accommodation and planning a new build. The Agency has and will continue to review heating programming and efficiencies in lowering boiler temperatures and maintaining a summer and winter heating plan and thus reducing carbon emissions. Use of live court links are encouraged to limit travel time and carbon emissions for staff giving evidence at court. The Agency is also currently considering reduction in the use of plastic casefile sleeves which could result in significant cost and plastic reductions. There is no catering on FSNI estate and staff are encouraged to use their own crockery, along with compost caddies provided in kitchen areas

FSNI is committed to aligning itself with the Northern Ireland Executive's policy on sustainable development as set out in the Sustainable Development Strategy. To this end, FSNI complies with its duties under the Waste Electrical and Electronic Equipment (WEEE) directive and undertook the following:

- Safe disposal of all hazardous or environmentally damaging substances;
- Recycling programme to include cardboard, paper, ICT equipment, toners, glass and plastics;
- Sustainable disposal of viable equipment; and,
- Safe and responsible disposal of all chemical and clinical wastes generated by the Agency.

Recycling and recovery in 2022-23 resulted in at least 99% (2021-22: approximately 99%) of waste diverted from landfill.

FSNI is represented on the Department of Justice Sustainability group and has its own in house sustainability volunteers. The Agency is also currently working on a range of initiatives to improve sustainability.

Environmental, social and community issues

The Agency recognises its responsibility to carry out its operations whilst minimising environmental impacts. There have been no significant environmental, social and community issues during the year. The Agency complies fully with its environmental policies, including H&S, waste management, management of emissions and disposal of hazardous waste.

The Agency, in working with suppliers and contractors, has sought opportunities to demonstrate its corporate social responsibility.

Health and safety

The management of H&S in a forensic science organisation is inherently complex, given the range of risks which the nature of the work entails. It is a responsibility shared between all managers and staff, with the help of guidance from the Agency's H&S advisor. The Agency sees a safe working environment as encompassing both the physical and mental well-being of its staff. The Agency strives for continuous improvement in safety performance through reviews of safe working practices and increased safety awareness of all staff. The Agency consults, as appropriate, with the Health and Safety Executive Northern Ireland (HSENI), and takes advice and guidance where improvement actions are required.

The Agency by its very nature deals routinely with exhibits and materials presenting potential chemical, biological or physical risk (sometimes in a traumatic environment) and accepts its responsibilities under the Health and Safety at Work (NI) Order 1978.

The Covid pandemic and other accommodation pressures required FSNI to make significant accommodation adjustments to comply with government guidance and provide safe working environments for staff. This required the undertaking and regular update of additional risk assessments throughout the year. FSNI staff were regularly furnished with updated guidance throughout the year.

Human rights

Civil servants have a statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services. The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to staff in the Agency to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within the Agency.

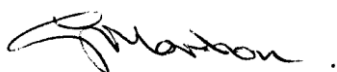
Anti-corruption and anti-bribery

The Agency is committed to the values of probity and accountability, which foster a positive organisational culture. It is also committed to the elimination of any fraud within the Agency, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. The Agency will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. The Agency has a zero tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Raising a Concern

The Whistleblowing policy has been updated and renamed as the Raising a Concern Policy. This was issued March 2022. This policy 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 any such concerns can be addressed at an early stage and in a fair and proper way. The Head of Group Internal Audit Services (GIAS) for FSNI is involved in conducting independent investigations into issues raised under the [DoJ Raising a Concern policy](#).

PERFORMANCE REPORT



G Morton

Chief Executive and Accounting Officer

26 June 2023

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

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

i – Corporate Governance Report

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

The Corporate Governance Report includes:

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

ii – Remuneration and Staff Report

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

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

iii – Assembly Accountability and Audit Report

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

- Regularity of expenditure;
- Assembly accountability disclosures; and,
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

Directors' Report

Chief Executive

G Morton has been Chief Executive and Accounting Officer of the Agency since September 2019. She is supported in her responsibilities for corporate governance and strategic direction by a Leadership Board.

The Leadership Board

During the course of 2022-23, the membership was as set out below:

G Morton	Chief Executive
S Campbell	Director of Laboratory Services and Quality
A McElveen	Acting Director of Reporting Services and ICT Director
Post vacant	* ICT Director
W McCollum	Director of Customer and Corporate Services
D Brown	Non-Executive Director
M O'Ceidigh	Non-Executive Director

*The ICT position has been vacant from May 2019

Company directorships and other significant interests

A register, available for public inspection, is maintained by FSNI that includes declarations of any significant interests held by Leadership Board (LB) members that may conflict with their LB responsibilities. During the year there were no such conflicts of interest declared by any LB member.

Personal data

FSNI complies with the Data Protection Act (DPA) 2018 and had no breaches of the Act to disclose for 2022-23.

Complaints

The FSNI complaints/concern procedure is aligned, along with other DoJ Agencies, with the DoJ Complaints Handling Policy and Procedures for Staff (Version 3.02 April 2021). The timescale for acknowledgement of a complaint is three working days. There is also standard wording for responding to a complainant as per the DoJ policy. In addition, the DoJ requires that each of the DoJ Agencies report to the DoJ centrally every six months, to provide information on any complaints received. At the request of DoJ, two reports from FSNI were provided in 2022-23, which covered the period April 2022 to September 2022 and April 2022 to March 2023.

For the period 1 April 2022 to 31 March 2023, there were two concerns raised and one complaint recorded, as per the current FSNI definitions of complaints and concerns. Both concerns and the complaint were investigated. The outcome was that one concern was not upheld and one concern was upheld. With regards to the complaint, this was partially upheld.

The [FSNI complaints procedure](#) provides further information on the handling of complaints.

The FSNI Complaints handling procedure was subject to DoJ internal audit review on 6 October 2022. The overall audit outcome was Satisfactory i.e. overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives. There was one Recommendation i.e. Management should consider updating the complaints and concerns procedure to include details on how to manage complaints or concerns submitted by vulnerable individuals. This recommendation was implemented.

Non-Executive Directors' Report

FSNI continued to be an organisation that is fully committed to its role. Its staff, by managing through difficult times, remain confident and committed. The current difficulties, set out below, come on top of a long period of high disruption by Covid, which in itself was substantially disorientating for the organisation.

The year 2022-23 was one in which several external factors impacted its work and environment as an organisation.

Firstly, the working environment for FSNI was markedly improved by the reduction in the occurrence of Covid. This lifted a level of restriction on the staff and work of the organisation. However, at a macro level Covid changed how people in general society think about work and this has also occurred in FSNI.

With the concept of working from home now embedded in society, its applicability is somewhat limited in FSNI. 'Remote working' is not suitable to all forms of employment. Scientific work generally has to be performed in a scientifically controlled environment, while more desk-driven reporting and administrative work can at least partially be undertaken from home. This could lead to two distinct groups forming and it is encouraging that FSNI is taking action to ensure that this does not lead to cultural division.

The issues in the macro environment were chiefly the protocol dispute and the political effect on the Assembly in terms of a Minister for Justice ceasing to be in place. This has resulted in such decisions as can be taken being made by the DoJ Permanent Secretary. While the work of the Permanent Secretary in relation to FSNI is useful, important and helpful; it would be better to have a public representative Minister in place.

Secondly, the general budgetary position has worsened in the UK and this has also impacted in Northern Ireland. This has resulted in a budget reduction which may impact some of the core activities of FSNI. The issue is further complicated by FSNI's funding structure and there is a strong argument for single source funding. Moving forward, early confirmation of the budget settlement, along with funding required to meet the needs of the Northern Ireland criminal justice system, would help to provide much needed clarity.

The ability to replace staff has also become highly impactful on the organisation. Increasing numbers of key positions becoming vacant with an extended lead time for any new recruit to be of full benefit to the organisation. In this context, the achievements of staff are commendable.

The ongoing structural issues and need for temporary premises create a scenario that is far from ideal. UKAS accreditation which underpins the quality of the work of the Agency was renewed, together with extensions of accreditation into additional areas. In addition, and importantly, the majority of business plan targets were again achieved.

During such challenges the support of our customers and particularly the PSNI and criminal justice community generally was essential. Together with the support of DoJ this support has given FSNI confidence in the fulfilment of its strategic plans.

In the final quarter of the year we carried out the Annual Board Effectiveness review. Interviews took place over a day. The resultant report commended the good governance, internal control and risk management procedures which are in place and that these worked effectively throughout the year. The Non-Executive Directors (NEDs) met with each Director and conducted a review of the area under their control. During the discussions the issue of staffing was raised as a concern by all directors as was the medium-term effectiveness of the organisation in the light of proposed budget cuts.

The organisation is managing well in a distressed environment and issues concerning its funding and staffing are impacting negatively on the organisation and need to be addressed in a realistic fashion that leads to adequate staffing and budgets that have a long-term focus.

D Brown

M O'Ceidigh

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed Forensic Science Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Forensic Science Northern Ireland and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

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

The Accounting Officer of the DoJ has designated the Chief Executive of Forensic Science Northern Ireland as the Accounting Officer of Forensic Science Northern Ireland. 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 Forensic Science Northern Ireland assets, are set out in the Accounting Officer's Memorandum in Managing Public Money Northern Ireland (MPMNI) published by DoF.

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 Agency'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

1. Scope of responsibility

FSNI is an Executive Agency of the DoJ and operates within the context of the Department's overall vision and strategic objectives. As Accounting Officer of FSNI, I have responsibility for maintaining a sound system of governance that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets, in accordance with the responsibilities assigned to me in MPMNI.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the Agency is directed and controlled, and the activities through which it accounts to and engages with stakeholders. It enables the Agency to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, timely and cost-effective services. The governance framework for FSNI was reviewed and revised in 2022-23 and has taken into account the requirements and governance approach contained in the DoF [MPMNI guidance](#) published in 2013.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place along with other established mechanisms/processes established within the Agency for the year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts, and accords with the Corporate Governance Code and DoF Guidance issued (in particular the [Corporate Governance in Central Government Departments: Code of Good Practice NI 2013](#) (Annex A – Board Operating Framework Guidance):

The Governance Framework will be reviewed in 2023-24 based on MPMNI and any other relevant guidance issued.

3. Governance framework

As Chief Executive, I am supported by the FSNI LB. The LB comprises of four Executive Directors which are Reporting Services (and acting ICT); Laboratory Services and Quality; ICT (position

currently vacant) and Customer and Corporate Services. In 2022-23, the Director of Reporting Services role continued to be filled during the year through the temporary promotion of the previous Director of Corporate Services (A McElveen) and ICT role in acting capacity by the Reporting Services Director. The Leadership Board also includes two NEDs. Other invitees at FSNI Leadership Board meetings with no voting rights are representatives from Financial Services Division, PSNI and NICSHR. The LB is supported by a dedicated Corporate Secretary.

The LB is supported by the Agency's Senior Management Team (SMT). The SMT consists of heads of section or team managers and other senior managers and is chaired by a Director. The main purpose of the SMT is to manage the day-to-day operation of the Agency to ensure delivery of objectives within available resources.

The Agency's 2022-23 Business Plan was approved by the DoJ Director of Safer Communities and regular reviews of the Agency's progress in achieving its objectives and key performance targets were conducted. During the year, FSNI did not receive any Ministerial directions and the Permanent Secretary was not required to make any decisions for FSNI.

The FSNI Audit and Risk Assurance Committee (A&RAC) is chaired by one of FSNI's NEDs. The A&RAC supports me in my role as the Accounting Officer and with my responsibilities for issues of risk, corporate governance, internal control and associated assurance, as well as providing an appropriate challenge function.

The membership of the FSNI A&RAC during 2022-23 comprised of:

- Two NEDs (one as Chair); and,
- One A&RAC Independent Member.

The quorum at A&RAC meetings consisted of two A&RAC Members inclusive of the Chair.

Due to the Covid pandemic and accommodation issues in 2022-23 a hybrid approach was taken for FSNI A&RAC meetings at the start of the year with in person meetings resuming at the end of the year. The A&RAC Chair meets separately with the DoF Head of Group Internal Audit Services (GIAS) for FSNI, the NIAO audit manager and the Chair of the Departmental Audit Committee and sits on the forum of A&RAC Chairs of all DoJ sponsored bodies. The LB, SMT and A&RAC operate under agreed Terms of Reference, which are reviewed annually.

Another key element of the Agency's governance framework is a professionally led DoF GIAS that works to Public Sector Internal Audit Standards, through reviewing the overall arrangements for managing risk, providing assurance and reporting any matters of concern to the FSNI A&RAC. Assurance is also obtained from the NIAO who report to the A&RAC following the statutory audit of the Agency's Annual Report and Accounts. The A&RAC review GIAS and NIAO reports and monitor progress against recommendations.

The auditing of the Agency by GIAS and by the NIAO sits, from the Agency's perspective, within a wider auditing environment, including the annual in-depth inspections by UKAS as part of the maintenance of accreditation to the quality standard ISO 17025:2017, plus an extensive programme of internal quality audits as well as collaborative exercises with other forensic science providers.

Assurance Statements are completed twice annually at Directorate level within FSNI. As part of the year-end preparations for 2022-23, all FSNI Directors have completed assurance statements. The purpose of the statements is to improve management and control by identifying management's specific responsibilities and seeking written assurance that these have been exercised with reasonable care, skill and diligence. These statements also inform the content of this Governance Statement.

The LB promotes an anti-fraud culture, supported by the Directors and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams. Fraud and Raising a concern policies are in place, which can be accessed by all FSNI staff on the DoJ intranet.

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

- Forensic Information Databases Services (FINDS) (in relation to the NI DNA Database);
- Criminal Justice Inspection Northern Ireland;
- Forensic Services Leadership Group and Operations Group;
- Health and Safety Executive for Northern Ireland;
- The Manufacture and Storage of Explosives Regulations (MSER) inspections;
- Department of Finance;
- DoJ Financial Services Division;
- National Fraud Initiative; and,
- DoF Construction and Procurement Delivery.

The Agency is satisfied that it has a robust corporate governance framework and that it is in compliance with relevant guidance issued by DoF.

4. Risk management and internal control

As Accounting Officer, I have direct responsibility for the analysis and management of risk and I work with the LB and the management team to do so. Responsibilities are assigned and appropriate actions incorporated into the Agency's internal targets. The Agency, given the nature of its work and the rigours of quality accreditation in a scientific environment, has a 'low' risk appetite. Risk is managed using a corporate risk register, with any major project or programme also having its own specific register. The Corporate Risk Register is a standard agenda item and reviewed at all LB, A&RAC and SMT meetings. It helps ensure that the principle risks to the Agency and its work are identified, quantified, mitigated and addressed timeously.

As part of the planning process, all senior managers who are also members of the SMT, are asked to review their own business areas and assess the risks faced within their area of responsibility. The SMT considers these operational risks and, in line with strategic planning priorities, determines the high level risks that could affect achievement of the Agency's strategic objectives. Risks are prioritised using a risk matrix, which assesses impact/likelihood. Each risk is assigned to a risk owner/manager who takes the appropriate steps to manage and control the risk. Any changes to the risk ratings or recommendations for new risks are referred to the LB for approval. The LB also considers any strategic risks to the Agency and will refer these to the SMT for assurance that these are adequately addressed in the Risk Register. The LB will also escalate or de-escalate risks to DoJ.

The Agency aspires to a risk management approach which is mainstreamed within everyday work, where managers consider and continuously review risk as part of the Agency's normal operations. The assessment of risk is carried out alongside the development of the business plan. During the planning process, the Agency refers to the Corporate Risk Appetite Framework which presents a risk profile identifying the areas of high and low risk tolerance and is reviewed annually.

5. Review of effectiveness of the governance framework

I have responsibility for reviewing the effectiveness of the governance framework. The review is informed by:

Leadership Board Review

The Agency's LB met on eight occasions during 2022-23 with attendance by members as set out below, alongside attendance records for the A&RAC.

Title	Leadership Board	*Audit and Risk Assurance Committee
Chief Executive – G Morton	7/8	3/4
Acting Director of Reporting Services and ICT Director – A McElveen	7/8	4/4
Director of Laboratory Services and Quality – S Campbell	8/8	3/4
Director of Customer and Corporate Services – W McCollum	7/8	4/4
Non-Executive Member – D Brown	8/8	4/4
Non-Executive Member – M O'Ceidigh	6/8	3/4
*A&RAC Independent Member – R Murtagh	N/A	3/4

*A&RAC member only

The LB obtains management information from the case management system, the finance system and from several management reports to allow for review. The reports are also considered by the A&RAC for review and comment to the LB. The LB also obtains assurance on the quality of these documents through the GIAS review. An assessment of the LB effectiveness is conducted annually by the NEDs who conduct interviews with LB Members based on Financial Reporting Council and Institute of Directors guidance.

DoJ Governance

As part of the Agency's governance arrangements, I met at least monthly with my Departmental line manager. Effective management of financial resources was ensured by following good management practice and guidance issued by DoJ's Financial Services Division. Budget holders also received detailed monthly management accounts and updated financial forecasts throughout the year. The budgets, which were delegated to the Agency for the 2022-23 financial year, were not exceeded.

Assurance Statements

In 2022-23 mid and end year assurance statements were completed by the Directors in post.

Audit and Risk Assurance Committee

The A&RAC met four times during the year and matters considered included the following:

- Risk management and the risk register;
- Effectiveness of the internal control and governance systems;
- The results of internal and external audit activity and progress against the implementation of recommendations to address weaknesses identified in internal audit reports and external audit reports; and,
- Internal and External Audit Services planning and strategy.

The A&RAC has met subsequent to the year-end to review final 2022-23 Annual Report and Accounts and recommend sign-off by the Accounting Officer.

A&RAC opinion on effectiveness of FSNI Governance Framework

The A&RAC is satisfied that FSNI had a robust corporate governance framework in place in 2022-23 and that it was in compliance with relevant guidance issued by DoF. This opinion is supported by the GIAS Corporate Governance audit which was carried out during the year and which concluded with a 'Satisfactory' audit opinion. Furthermore, the A&RAC is satisfied with the comprehensiveness, reliability and integrity of the Assurance Statements which it reviews with the exception of the cybersecurity element of Information Assurance where the Committee is 'reasonably satisfied'.

Internal and External Audit

The effectiveness of the governance framework has been informed by the reports produced by the GIAS Internal Auditors, and comments made by the External Auditors in their Report to those Charged with Governance.

In recognition of the robust mechanisms for regular and in-depth scrutiny under which the Agency operates a review of FSNI's "auditing landscape" was conducted with GIAS at the start of the 2022-23 year and a one year auditing plan was developed and agreed.

During 2022-23, the following audits were completed by Group Internal Audit Services:

- Review of FSNI Complaints Handling;
- Review of FSNI Creditor Payments; and,
- Review of FSNI Non-current Assets.

All GIAS audits had a rating of satisfactory. On the basis of internal audit work carried out, positive management action taken to address identified weaknesses, and assurances provided elsewhere, the DoF Head of GIAS for FSNI has provided the Accounting Officer with overall assurance that in 2022-23 there was a satisfactory level of control within the Agency.

The implementation of actions arising from recommendations from audits by DoF GIAS, External Auditor, CJINI and others is regularly monitored by the LB and reviewed at A&RAC meetings. There were no priority one actions raised 2022-23. During 2022-23 there were two recommendations made (Two GIAS and none in the 2021-22 NIAO Report to Those Charged with Governance (RTTCWG)). Both of the 2022-23 recommendations (both Best practice recommendations) have been actioned and completed or closed out.

FSNI's own internal scientific Quality Audit programme (consisting of approximately 96 internal quality audits) and the close out of resultant actions are reviewed monthly by the SMT and is reported to and reviewed by A&RAC.

6. Budget position

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023, which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

7. Significant internal control issues

Given the specialised scientific operating environment pertaining in the Agency with its robust quality management procedures – including regular internal quality audits – specific operational issues are identified from time to time. Any such issues arising during the year have been dealt with in full accordance with the protocols of the QMS and their treatment is subject to further review and inspection by UKAS as part of the annual renewal of accreditation. There were no significant control issues or weaknesses identified or issues arising from reports by internal audit.

8. Accounting Officer statement on assurance

FSNI has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is

supplemented by secondary assurances provided through oversight of management activity, independent accreditation and quality inspection by UKAS and FINDS, a Quality Internal Audit programme, a programme of collaborative blind trials with other providers and by the DoF GIAS operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering technical, financial and non-financial systems over time.

9. FSNI Accommodation

With the continuing uncertainty regarding the longer term future for the main building, as detailed in the performance summary, and as such the value of the non-movable non-current assets located within the building was subject to a detailed reviewed during 2021-22. As a result, a number of assets had their remaining useful lives reduced to reflect the current usage of the building. Work continues to address relocation of teams and protection of personnel and assets long term in liaison with the landlord.

REMUNERATION AND STAFF REPORT

Remuneration Report

Remuneration policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 24 November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on 6 December 2022, the NI public sector pay policy guidance was published on 8 December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022-23 has been finalised and is due to be paid in June 2023. The pay award for NICS industrial staff has been finalised and is due to be paid in July 2023.

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

Service contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at the [Civil Service Commissioners for Northern Ireland website](#).

D Brown and M O'Ceidigh were appointed to FSNI as NEDs in August 2021 and have taken up their roles as A&RAC members. R Murtagh was appointed as A&RAC Independent Member in August 2020. The Agency and the Independent Board/A&RAC Members may terminate the appointments by giving one month's notice in writing.

Remuneration (including salary) and pension entitlements

The followings sections provide details of the remuneration and pension interests of the most senior management team (i.e. Board Members) of the Agency.

Remuneration and pension entitlements (Audited information)

Single total figure of remuneration		2022-23		
LB Members	Salary	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total
	£000	£000	£000	£000
G Morton – Chief Executive	75-80	-	(15)	60-65
S Campbell – Director of Laboratory Services and Quality	55-60	-	(16)	40-45
A McElveen – Acting DoRs and ICT Director	65-70	-	2	65-70
W McCollum – Director of Customer and Corporate Services	50-55	-	8	60-65
D Brown – Non-Executive Director	5-10	-	-	5-10
M O’Ceidigh – Non-Executive Director	5-10	-	-	5-10

* 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 decreases due to a transfer of pension rights.

Single total figure of remuneration**2021-22**

LB Members	Salary	Benefits in kind (to nearest £100)	Pension Benefits* (to nearest £1,000)	Total
	£000	£000	£000	£000
G Morton – Chief Executive	80-85	-	29	110-115
S Campbell – Director of Laboratory Services and Quality	55-60	-	21	80-85
A McElveen – Acting DoRs and ICT Director	70-75	-	31	100-105
W McCollum – Director of Customer and Corporate Services	50-55	-	25	75-80
T Burgess to 31 December 2021 – Non-Executive Director	0-5	-	-	0-5
C Warnock to 31 July 2021 – Non-Executive Director	0-5	-	-	0-5
D Brown from 2 August 2021 – Non-Executive Director	5-10	-	-	5-10
M O’Ceidigh from 2 August 2021 – Non-Executive Director	5-10	-	-	5-10

Salary

‘Salary’ includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No LB members received benefits in kind during 2022-23 or 2021-22.

Fair Pay Disclosures (Audited information)

Pay ratios

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

The banded remuneration of the highest paid director in the Agency in the financial year 2022-23 was £75,000-80,000 (2021-22: £75,000-80,000 (the Highest Paid Director's remuneration pay band differs from the Remuneration and pension entitlements table on page 44 as the figure includes back pay from the August 2020 pay deal)). The relationship between the mid-point of this band and the remuneration of the Agency's workforce is disclosed below.

2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	26,505	29,307	40,952
Pay ratio	2.9:1	2.6:1	1.9:1
2021-22	25th percentile	Median	75th percentile
Total remuneration (£)	23,955	29,307	40,711
Pay ratio	3.2:1	2.6:1	1.9:1

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

In 2022-23, the values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £26,505, £29,307 and £40,952 respectively (2021-22: £23,955, £29,307 and £40,711).

In 2022-23, no (2021-22, none) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £19,000 to £77,500 (2021-22: £18,000 to £77,500).

The 25th percentile figure has increased in 2022-23 due to the current high level of vacancies at lower grades.

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in salary and allowances of the highest paid director and of their employees as a whole.

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

Percentage change for:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	3.6%	3.0%
Highest paid director's salary and allowances	0.0%	6.9%

Pension entitlements (Audited information)

LB Members	Accrued pension at pension age as at 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
G Morton – Chief Executive	35-40 plus a lump sum of 65-70	0 plus a lump sum of 0	608	565	(23)	-
S Campbell – Director of Laboratory Services and Quality	25-30 plus a lump sum of 50-55	0 plus a lump sum of 0	491	458	(21)	-
A McElveen – Acting DoRs and ICT Director	20-25	0-2.5	379	342	(8)	-
W McCollum – Director of Customer and Corporate Services	15-20	0-2.5	198	179	(1)	-

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

Northern Ireland Civil Service (NICS) Pension arrangements

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

The Alpha pension scheme was initially introduced for new entrants from 1 April 2015. The Alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to Alpha (full protection) 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 (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. The NICS are currently working on new scheme regulations and processes in readiness for this.

It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g., legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or Alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'Alpha' from 1 April 2022. This completed Phase One to remedy the discrimination identified by the Courts. Any

pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at [Department of Finance Annual Report and Accounts webpage](#).

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

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

Information on the PCSPS(NI) – Closed Scheme

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

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

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.

Partnership Pension Account

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

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic**, **Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the [Civil Service Pensions \(NI\) website](#).

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 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 2023 to 31 March 2024 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised rate of Pensionable Earnings (Salary Bands)		% Contribution rate for all members
From	To	From 1 April 2023 to 31 March 2024
£0	£25,049.99	4.60%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

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

calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

There were no compensation benefits paid by FSNI to any senior staff members during the financial year (2021-22: £Nil).

Staff Report

Staff costs (Audited information)

Staff costs comprise:

			2022-23	2021-22
	Permanently Employed £000	Others £000	Total* £000	Total* £000
Wages and salaries	6,640	156	6,796	6,551
Social security costs	721	7	728	682
Other pension costs	1,950	11	1,961	1,883
Total	9,311	174	9,485	9,116

*Of the total, £0.112m have been capitalised for staff involved with capital projects in 2022-23 (2021-22: £0.074m).

Pension arrangements

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

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

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The

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 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information, including a copy of Unpause Cost Cap Valuation Report, can be found on [Department of Finance Civil Service Pension Scheme Valuations webpage](#).

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2022-23 employers' contributions of £1.949m were payable to the NICS pension arrangements (2021-22: £1.870m) at one of three rates in the range 28.7% to 34.2% (2021-22: 28.7% to 34.2%) of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (2021-22: £Nil) were paid to one or more

of a panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2021-22: 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% (2021-22: £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 person (2021-22: No persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2021-22: £Nil).

Average number of persons employed (Audited information)

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

	Permanently employed staff	Others	2022-23 Total	2021-22 Total
Directly Employed - Caseworkers	132	-	132	133
Directly Employed - Support staff	42	-	42	43
Other	-	2	2	5
Staff engaged on capital projects	1	1	2	1
Total	175	3	178	182

Staff composition

The number of persons employed at 31 March 2023 by FSNI was as follows:

	Female Staff Number	Male Staff Number	Total Staff Number
Leadership Board	2	2	4
Senior civil service staff*	1	-	1
Staff	116	60	176

* The staff member in senior civil service staff is also in the Leadership Board Category.

Staff Policies

Sickness Absence

FSNI takes the management of sickness absence very seriously. FSNI has robust policies and procedures in place, which reflect best practice, to ensure that staff are afforded every opportunity of getting back to good health and into the workplace as soon as possible. The Agency had an overall sickness absence rate of 8.1 days lost per employee in 2021-22 (2020-21: 8.1 days). Annual sickness absence figures can be found in the “*Sickness Absence in the Northern Ireland Civil Service 2021-22*” report at <https://www.nisra.gov.uk/publications/sickness-absence-northern-ireland-civil-service-202122>. Figures for the 2022-23 financial year are not available yet.

The health and safety of everyone in the Agency is of paramount importance and we have a duty of care to help prevent staff becoming ill and to support them when they are. FSNI develop annual plans to support Staff Welfare and Well-Being and during the 2022-23 year supported staff with a number of health prevention and promotion events.

Staff turnover percentage

The Agency Staff Turnover percentage (the total number of people that have left the Agency including those who have moved within the NICS) for 2022-23 is 12.2%, and the general turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 7.8%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

	Departmental Turnover Rate		General Turnover Rate	
	2022-23	2021-22	2022-23	2021-22
Forensic Science NI	12.2%	8.7%	7.8%	3.8%

Staff engagement scores

The Head of the NI Civil Service advised on 7 November 2022 that the launch of the next People Survey would be postponed until Spring 2023 and so no survey was conducted in 2022. The results of the survey conducted in 2023 were not available in advance of finalising the Annual Report and Accounts. However, the full survey is expected to be made available in Summer 2023 at the [Department of Finance NICS People Survey Results webpage](#).

Employment, training and advancement of disabled persons

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. The NICS Diversity Champions Network was established in 2015 and continues to drive diversity and inclusion across the service.

The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the service.

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Panel members must complete mandatory recruitment and selection training prior to participating on any selection panel. This training includes specific learning on equality and diversity, relevant legislation and reasonable adjustments for disabled candidates. Unconscious bias training is available to all staff.

The NICS continues to be a lead partner of Employers for Disability NI (EFDNI) and is committed to the employment and career advancement of disabled people. A range of activities to encourage and promote Civil Service career opportunities to the disability sector were delivered during 2022-23; including positive action advertising, targeted advertising and outreach information sessions for large volume recruitment competitions. The NICS continues to have a permanent presence on EFDNI's Jobs Bulletin Board which is an online career opportunities service circulated to disability organisations.

The NICS operates a Guaranteed Interview Scheme (GIS) which applies to all external NICS recruitment competitions (at any grade and any discipline) where appropriate. This ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. For more information refer to the "Information for disabled applicants" section of the [NICS recruit website](#).

Due to the ongoing Covid-19 restrictions, the NICS Work Experience Scheme for Disabled People remained closed to applications until November 2022. The NICS continued its' participation in International Job Shadow Day (IJSJ) by facilitating 13 work placements in 2022. This initiative provides work experience for disabled people of all ages.

During this year the nine-month placement work placement opportunities under the Job Start Scheme pilot within the Department for Communities (DfC) for 15 young disabled people (aged 16-24) concluded. As a result of an amendment to Recruitment Code merit principle approved by the Civil Service Commissioners, nine of the successful participants were made permanent offers of appointment in the NICS. Another three placement workers successfully obtained employment with other employers.

In June 2022, the Northern Ireland Executive, in partnership with the Harkin Institute, hosted the Harkin International Summit 2022. The event brought together leaders and activists across Business, Government, Philanthropy, the Third and Voluntary Sector, and Academia to highlight and address disability employment issues, showcase best practice and success, build relationships and challenge for change. The NICS as an employer participated, attended and supported the summit to promote its commitment to disability inclusion.

To maintain and promote a disability inclusive workplace, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons. During the year a programme of awareness training was available to all staff.

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development. Development and delivery of generic staff training is centralised in NICS HR¹. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

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

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

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

Summary information in respect of applications from Senior Civil Service Grade 5 and above including equivalent grades, and Special Advisers can be found at [Department of Justice](#).

Employee consultation and Trade Union relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development² consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Equality, diversity and inclusion

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

Our Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+.

We deliver an ambitious diversity and inclusion programme of work through the implementation of an annual NICS Diversity Action Plan, which sets out our priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which

² HR policy and Industrial Relations policy for the NICS is centralised within People & OD, in the Department of Finance

determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS' commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#).

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

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

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

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

Pay policy

Under the Civil Service (NI) Order 1999, DoF is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- Be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- Encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- Ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- Secure the confidence of staff that their pay will be determined fairly;
- Secure the confidence of the public and their representatives in the system for determining the pay of the staff; and,
- Enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Expenditure on consultancy and temporary staff

There was no expenditure on consultancy during 2022-23 (2021-22: Nil). Resource expenditure on temporary staff was £0.100m in 2022-23 (2021-22: £0.210m) with an additional £0.074m for capital projects (2021-22: £0.052m).

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2022-23 (2021-22: Nil).

Reporting of Civil Service and other compensation schemes – exit packages

There were no exit packages requiring disclosure during 2022-23 (2021-22: Nil).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Assembly Accountability Disclosures (Audited information)

Regularity of expenditure

Losses and special payments

There were no losses or special payments that require disclosure in 2022-23 (2021-22: Nil).

Fees and charges

An analysis of income from services provided to external and public sector customers is as follows:

	2022-23			2021-22		
	£000			£000		
	Income	Full Cost	Surplus/ (deficit)	Income	Full Cost	Surplus/ (deficit)
Services	11,453	16,062	(4,609)	11,503	15,713	(4,210)

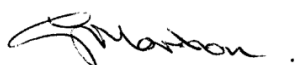
The above information is provided for fees and charges purposes, and not for IFRS 8 Operating Segments purposes.

Whilst there is a deficit of £4.609m (2021-22: £4.210m) on the Statement of Comprehensive Net Expenditure, this is offset by non-cash charges and funding provided by the DoJ.

Remote contingent liabilities

There were no contingent liabilities requiring disclosure under Assembly reporting requirements. The Agency had no significant remote contingent liabilities during 2022-23 that require disclosure. Note 15 discloses that there are no contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT



G Morton

Chief Executive and Accounting Officer

26 June 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of the Forensic Science Northern Ireland for the year ended 31 March 2023 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion the financial statements:

- give a true and fair view of the state of Forensic Science Northern Ireland's affairs as at 31 March 2023 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

My staff and I are independent of Forensic Science Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the

Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a

material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of Forensic Science Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing Forensic Science Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Forensic Science Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Forensic Science Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. However, there is no statutory legislation in place for the provision of forensic services in Northern Ireland;
- making enquires of management and those charged with governance on Forensic Science Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement

due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of Forensic Science Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.

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

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
28 June 2023

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2023

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.

		2022-23	2021-22
		£000	*Restated £000
	Note		
Revenue from contracts with customers	4	<u>(11,453)</u>	(11,503)
Total operating income		(11,453)	(11,503)
Staff costs	2	9,373	9,042
Purchase of goods and services	2	4,552	4,510
Depreciation and impairment charges	2	2,183	2,124
Provisions expense	2	-	(37)
Total operating expenditure		16,108	15,639
Net operating expenditure		4,655	4,136
Finance expense	2	(98)	26
Net expenditure for the year		4,557	4,162
Audit notional costs	2	21	18
Other notional costs	2	31	30
Total notional costs		52	48
Net expenditure for the year including notional costs		4,609	4,210
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
– Net (gain) on the revaluation of Property, Plant and Equipment	5	(1,592)	(898)
– Net (gain) on the revaluation of Intangibles	6	(73)	19
Comprehensive net expenditure for the year		2,944	3,331

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.21 for further details.

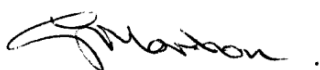
The notes on pages 71 to 93 form part of these Accounts.

Statement of Financial Position

As at 31 March 2023

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

		31 March 2023 £000	31 March 2022 £000
	Note		
Non-current assets:			
Property, plant and equipment	5	19,660	18,082
Intangible assets	6	2,359	2,722
Total non-current assets		22,019	20,804
Current assets:			
Trade and other receivables	9	596	597
Cash and cash equivalents	8	-	-
Total current assets		596	597
Total assets		22,615	21,401
Current liabilities			
Trade and other payables	10	(3,758)	(3,148)
Provisions	11	(304)	(304)
Total current liabilities		(4,062)	(3,452)
Total assets less current liabilities		18,553	17,949
Non-current liabilities			
Provisions	11	(202)	(312)
Other payables	10	-	-
Total non-current liabilities		(202)	(312)
Total assets less total liabilities		18,351	17,637
Taxpayers' equity and other reserves			
General fund		12,442	13,081
Revaluation reserve		5,909	4,556
Total equity		18,351	17,637



G Morton

Chief Executive and Accounting Officer

26 June 2023

The notes on pages 71 to 93 form part of these Accounts.

Statement of Cash Flows

For the year ended 31 March 2023

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

		2022-23	2021-22
		£000	£000
	Note		
Cash flows from operating activities			
Net expenditure for the year including notionals		(4,609)	(4,210)
Adjustment for non-cash transactions	3	2,141	2,150
(Increase)/Decrease in trade and other receivables	9	1	118
<i>Movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	9	-	28
Decrease in inventories		-	17
Increase/(Decrease) in trade and other payables	10	379	259
<i>Movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(675)	(199)
Use of provisions	11	(10)	(10)
Net cash (outflow)/inflow from operating activities		(2,773)	(1,847)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,067)	(663)
Purchase of intangible assets	6	-	(287)
Proceeds of disposal of property, plant and equipment		2	-
Net cash outflow from investing activities		(1,065)	(950)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		3,606	2,688
Interest element of payments in respect of finance leases	12	1	-
Net financing		3,607	2,688
Net increase/(decrease) in cash and cash equivalents in the period		(231)	(109)
Cash and cash equivalents at the beginning of the period	8	(100)	9
Cash and cash equivalents at the end of the period	8	(331)	(100)

The notes on pages 71 to 93 form part of these Accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2023

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

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2021		14,290	3,942	18,232
Net Assembly funding		2,688	-	2,688
Comprehensive net expenditure for the year	SOCNE	(4,210)	879	(3,331)
Non-cash adjustments				
Notional charges – auditor's remuneration	2	18	-	18
Notional charges – other	2	30	-	30
Movement in Reserves				
Transfer between reserves		265	(265)	-
Balance at 31 March 2022		13,081	4,556	17,637
Net Assembly funding		3,606	-	3,606
Comprehensive net expenditure for the year	SOCNE	(4,609)	1,665	(2,944)
Non-cash adjustments				
Notional charges – auditor's remuneration	2	21	-	21
Notional charges – other	2	31	-	31
Movement in Reserves				
Transfer between reserves		312	(312)	-
Balance at 31 March 2023		12,442	5,909	18,351

The notes on pages 71 to 93 form part of these Accounts.

Notes to the Agency's Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by the DoF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency (for the reportable activity) are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

1.1 Accounting convention

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

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

1.2 Property, plant and equipment

The Agency's property, plant and equipment comprise buildings, plant and equipment, computers and motor vehicles, which are revalued annually using appropriate indices compiled by the Office for National Statistics.

Buildings are subject to professional revaluation every five years by the Land and Property Services. In the intervening years, buildings are revalued using the Land and Property Services indices. Upward revaluations are credited to the revaluation reserve. Downward revaluations are debited to the revaluation reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation recognised in the statement of comprehensive net expenditure.

The standard threshold is £1,000 (£500 for IT equipment) for capitalisation as an individual or grouped property, plant and equipment in line with the Agency's capitalisation procedures.

1.3 Intangible assets

Identifiable intangible assets are recognised when the Agency controls the asset, it is probable that future economic benefits attributable to the asset will flow to the Agency and the cost of the assets can be reliably measured. The Agency's intangible assets consist of software and software licences where expenditure is £1,000 or more.

Intangible assets are revalued annually using appropriate indices compiled by the Office for National Statistics. Upward revaluations are credited to the revaluation reserve. Downward revaluations are debited to the revaluation reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation recognised in the statement of comprehensive net expenditure.

1.4 Depreciation and amortisation

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

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

Depreciation is provided on a straight-line basis in order to write down to residual value over expected useful economic lives. Depreciation is not charged on land, assets awaiting disposal or assets under construction (until brought into use).

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful life
Buildings	40 years
Temporary Buildings	10 – 20 years
Plant and Equipment	3 – 25 years
Motor Vehicles	10 years
Computers	3 – 10 years
Intangible Assets	5 – 15 years

1.5 Leases

IFRS 16 Leases has been implemented from 1 April 2022. It largely removes the distinction between operating and finance leases and introduces a single lease accounting model for lessees. A lessee is required to recognise ('right-of-use') assets and liabilities for all leases (apart from the exemptions listed below). This replaces the previous standard, IAS 17 Leases, representing a change in accounting policy applied in accordance with IAS 1 and IAS 8 as adapted by the FReM.

Implementation and Assumptions

The Agency has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period. IAS 17 operating leases are included within the Statement of Financial (SoFP) as a lease liability and right of use asset for the first time with changes made through the General Fund as a cumulative catch-up adjustment where necessary.

The Agency has expanded the definition of a lease to include arrangements with nil consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition. On transition, any differences between the discounted lease liability and the right of use asset are included through cumulative catch. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income in the Statement of Comprehensive Net Expenditure (SoCNE).

The Agency has elected not to recognise right of use assets and lease liabilities for the following leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and,
- leases with a lease term of 12 months or less.

Previous treatment

In the comparative period, as a lessee the Agency classified leases that transferred substantially all the risks and rewards of ownership as finance leases. The leased assets were measured at an amount equal to lower of the fair value and the present value of minimum lease payments.

Leases other than finance leases were classified as operating leases. Assets previously held as operating leases were not recognised in the Agency's SoFP. Payments were recognised in the SoCNE on a straight-line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2022

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

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

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

Right of use assets

The Agency recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and,
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

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

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

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (0.95% for leases recognised in 2022, 3.51% for those in 2023).

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Agency is reasonably certain to exercise; and,
- penalties for early termination of a lease unless the Agency is reasonably certain not to terminate early.

At the commencement of a lease (or on the date of transition to IFRS 16, if later), the Agency recognises a right of use asset and a lease liability.

Impact on financial statements

On transition to IFRS 16, the Agency recognised an additional £0.330m of right of use assets and £0.330m of lease liabilities.

Reconciliation from IAS 17 to IFRS 16

This table reconciles the amounts of operating lease commitments as at 31 March 2022, to the lease liabilities as at 1 April 2022 immediately following adoption of IFRS 16.

	£000
Closing operating leases disclosed at 31 March 2022	644
<i>Adjustments from IAS 17 to IFRS 16</i>	
Impact of discounting	(2)
Short term and low value leases	-
Other (services)	(312)
IFRS 16 opening balance lease liabilities at 1 April 2022	330

1.6 Employee benefits

Under IAS 19 an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. The Agency has therefore recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities.

1.7 Early departure costs

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age.

The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes in the year. The total cost of these programmes is recognised in the year the decision is taken.

1.8 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing and/or amount at the statement of financial position date, on the basis of best estimate of expenditure required to settle the obligation.

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age and in some cases for the lifetime of the retired staff member and his/her spouse. For all new early retirement cases, the Agency provides in full for the cost of meeting pensions up to normal retirement age. The total cost is recognised in the year the decision is taken.

Injury on duty awards – life expectancy assumption

Benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to FSNI are payable to former employees for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and also on the estimated life expectancy of these pensioners.

1.9 Contingent liabilities

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

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

1.10 Income

Revenue from contracts with customers

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

Sale of goods and services

Revenue from the sale of goods is recognised either:

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

Other income

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

1.11 Value Added Tax

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

purchase cost of property, plant and equipment and intangible assets. VAT is recoverable on a departmental basis.

1.12 Segmental reporting

In line with the provisions of IFRS 8 the Agency does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments. This conclusion is based on the Agency's current format of internal management reporting to the Agency's Leadership Board, who consider financial performance at the Agency level.

1.13 Programme expenditure

The statement of comprehensive net expenditure for the Agency only includes programme costs. The definition of programme costs is set by DoF. Programme costs reflect non-administration costs, including payments of grants and compensation, and other disbursements, as well as certain staff costs where they relate directly to service delivery.

1.14 Pensions

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

1.15 Notional costs

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

1.16 Research and development

Expenditure on research is not capitalised, but expensed as it occurs. Expenditure on development is capitalised if it meets the criteria specified in IAS 38. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

1.17 Corporation Tax

As an On-Vote Agency of a government department, the Agency is not liable to pay Corporation Tax.

1.18 Financial instruments

1.18.1 Recognition and de-recognition of Financial assets and Financial liabilities

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

1.18.2 Financial assets

Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount less provision for impairment less provisions for doubtful receivables. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

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 and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Impairment of financial assets

The Agency assesses at each statement of financial position date whether a financial asset or group of financial assets are impaired. Where there is objective evidence that an impairment loss has arisen on assets carried at amortised cost, the carrying amount is reduced with the loss being recognised in the statement of comprehensive net expenditure.

1.18.3 Financial liabilities

Trade and other payables

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

1.19 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Agency's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. There are no material accounting estimates or judgements made by the Agency in preparing these accounts.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) Depreciation of property, plant and equipment

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

(ii) Impairment of property, plant and equipment

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

1.20a Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2022-23 financial year

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency's accounting periods beginning on or after 1 April 2022 or later periods, but which the Agency has not adopted. The Agency considers that these are not relevant or material to its operations.

1.20b Accounting standards, interpretations and amendments to published standards not yet effective

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

1.20c Financial Reporting – future developments

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

1.21 Prior year restatement

Northern Ireland departments are implementing the Review of Financial Process (RoFP) in 2022-23. The aim of RoFP is to align the boundaries of Budgets, Estimates and Accounts as far as it is practicable, including consolidation of Non-Departmental Public Bodies (NDPBs) and other central government bodies in Estimates and Accounts.

Costs associated with the provision of shared services, or services provided by one department or agency to another, are notionally charged. Under RoFP, this would result in a misalignment due to notional costs being recorded in Accounts and Estimates but not in Budgets.

DoF has therefore issued guidance for departments and agencies to adapt the presentation of notional costs on the Statement of Comprehensive Net Expenditure. Notional costs will now be shown below 'Net expenditure for the year', followed by a new total of 'Net expenditure for the year including notionals'.

The impact of this change on comparative disclosures for 2021-22 is shown below.

<u>Statement of Comprehensive Net Expenditure</u>	Published Accounts 2021-22 £000	Reclassification of Notionals £000	Restated 2021-22 £000
Revenue from contracts with customers	(11,503)	-	(11,503)
Other operating income	-	-	-
Total operating income	(11,503)	-	(11,503)
Staff costs	9,042	-	9,042
Purchase of goods and services	4,558	(48)	4,510
Depreciation and impairment charges	2,124	-	2,124
Provisions expense	(37)	-	(37)
Total operating expenditure	15,687	(48)	15,639
Net operating expenditure	4,184	(48)	4,136
Finance expense	26	-	26
Net expenditure for the year	4,210	(48)	4,162
Audit notional costs	-	18	18
Other notional costs	-	30	30
Total notional costs	-	48	48
Net expenditure for the year including notional costs	4,210	-	4,210

2 Programme expenditure

		2022-23	2021-22
		£000	*Restated £000
	Note		
Staff costs**			
Wages and salaries		6,713	6,496
Social security costs		718	676
Other pension costs		1,942	1,870
		<u>9,373</u>	<u>9,042</u>
Purchase of goods and services			
Accommodation, maintenance and utilities		1,287	1,195
IT, communications and office services		556	404
Consumables, equipment and transport costs		1,552	1,292
Contracted out and managed services		732	971
Professional and consultancy services		148	165
Rentals under operating leases		-	181
Staff related costs		190	246
Other		80	67
Auditor's remunerations		1	-
		<u>4,546</u>	<u>4,521</u>
Non-cash items:			
Loss on disposal of non-current assets		6	17
(Decrease) in impairment for trade receivables	9	-	(28)
		<u>6</u>	<u>(11)</u>
		<u>4,552</u>	<u>4,510</u>
Depreciation and impairment charges			
Property, plant and equipment	5	1,762	1,687
Intangible assets	6	441	413
Revaluation of non-current assets	5, 6	(20)	24
		<u>2,183</u>	<u>2,124</u>
Provisions expense	11	<u>-</u>	<u>(37)</u>
Finance expense		<u>(98)</u>	<u>26</u>
Programme expenditure excluding notionals		<u>16,010</u>	<u>15,665</u>
Audit notional costs		21	18
Other notional costs		31	30
Total notional costs		<u>52</u>	<u>48</u>
Total Programme expenditure		<u>16,062</u>	<u>15,713</u>

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.21 for further details.

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

3 Summary of non-cash costs

	2022-23	2021-22
	£000	*Restated £000
Purchase of goods and services	6	(11)
Notional costs	52	48
Depreciation and impairment charges	2,183	2,124
Provisions expense	-	(37)
Finance expense	(100)	26
	2,141	2,150

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.21 for further details.

4 Income

In the periods set out below, only one customer accounted for greater than 10% of the Agency's total revenues.

	2022-23	2021-22
	£000	£000
Revenue from contracts with customers		
Police Service of Northern Ireland	10,325	10,365
Intra-departmental income	730	732
Other public sector customers	377	394
Non-public sector customers	21	12
Total operating income	11,453	11,503

5 Property, plant and equipment

	Land	Buildings	Vehicles Plant & Machinery	Information Technology	Assets under Construction	2022-23 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2022	300	7,842	18,460	1,949	549	29,100
IFRS 16 Leases opening adjustment	-	330	-	-	-	330
Additions	-	60	178	678	507	1,423
Disposals	-	-	(407)	(13)	-	(420)
Transfers and reclassification	-	-	-	-	-	-
Revaluation released to SOCNE	-	-	1	3	-	4
Revaluation	-	613	1,918	32	-	2,563
At 31 March 2023	300	8,845	20,150	2,649	1,056	33,000
Depreciation						
At 1 April 2022	-	763	8,487	1,768	-	11,018
Charged in year	-	404	1,317	41	-	1,762
Disposals	-	-	(400)	(13)	-	(413)
Transfers and reclassification	-	-	-	-	-	-
Revaluation released to SOCNE	-	-	-	2	-	2
Revaluation	-	67	874	30	-	971
At 31 March 2023	-	1,234	10,278	1,828	-	13,340
Carrying amount at 31 March 2023	300	7,611	9,872	821	1,056	19,660
Carrying amount at 31 March 2022	300	7,079	9,973	181	549	18,082
Asset financing:						
Owned	300	7,461	9,872	821	1,056	19,510
Financed Leased	-	150	-	-	-	150
Carrying amount at 31 March 2023	300	7,611	9,872	821	1,056	19,660

A full independent valuation of buildings was carried out by the Land and Property Services at 31 December 2018 in accordance with the Valuation Standards (8th edition) of the Royal Institution of Chartered Surveyors. The valuation was on a Depreciated Replacement Cost basis. Property, plant and equipment are adjusted to their current value each year by reference to the appropriate indices compiled by the Office for National Statistics. The Agency owns all of its assets and has no finance leases or PFI contracts.

5 Property, plant and equipment (continued)

	Land	Buildings	Vehicles Plant & Machinery	Information Technology	Assets under Construction	2021-22 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2021	300	7,483	18,779	2,012	-	28,574
Additions	-	-	440	4	549	993
Disposals	-	-	(1,652)	(117)	-	(1,769)
Transfers and reclassification	-	-	(58)	55	-	(3)
Revaluation released to SOCNE	-	-	(1)	(3)	-	(4)
Revaluation	-	359	952	(2)	-	1,309
At 31 March 2022	300	7,842	18,460	1,949	549	29,100
Depreciation						
At 1 April 2021	-	500	8,389	1,788	-	10,677
Charged in year	-	234	1,401	52	-	1,687
Disposals	-	-	(1,638)	(115)	-	(1,753)
Transfers and reclassification	-	-	(50)	48	-	(2)
Revaluation released to SOCNE	-	-	-	(2)	-	(2)
Revaluation	-	29	385	(3)	-	411
At 31 March 2022	-	763	8,487	1,768	-	11,018
Carrying amount at 31 March 2022	300	7,079	9,973	181	549	18,082
Carrying amount at 31 March 2021	300	6,983	10,390	224	-	17,897
Asset financing:						
Owned	300	7,079	9,973	181	549	18,082
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2022	300	7,079	9,973	181	549	18,082

6 Intangible assets

	Software Licences £000	Software £000	2022-23 Total £000
Cost or valuation			
At 1 April 2022	258	4,526	4,784
Additions	-	(13)	(13)
Disposals	(3)	(2)	(5)
Transfers and reclassifications	-	-	-
Revaluation released to SOCNE	-	37	37
Revaluation	5	133	138
At 31 March 2023	260	4,681	4,941
Amortisation			
At 1 April 2022	196	1,866	2,062
Charged in year	16	425	441
Disposals	(3)	(2)	(5)
Transfers and reclassifications	-	-	-
Revaluation released to SOCNE	-	19	19
Revaluation	2	63	65
At 31 March 2023	211	2,371	2,582
Carrying amount at 31 March 2023	49	2,310	2,359
Carrying amount at 31 March 2022	62	2,660	2,722
Asset financing:			
Owned	49	2,310	2,359
Carrying amount at 31 March 2023	49	2,310	2,359

Intangible assets relate to software and licences that are adjusted to their current value each year by reference to appropriate indices compiled by the Office for National Statistics.

6 Intangible assets (continued)

	Software Licences £000	Software £000	2021-22 Total £000
Cost or valuation			
At 1 April 2021	202	4,494	4,696
Additions	53	103	156
Disposals	-	(4)	(4)
Transfers and reclassifications	3	-	3
Revaluation released to SOCNE	-	(37)	(37)
Revaluation	-	(30)	(30)
At 31 March 2022	258	4,526	4,784
Amortisation			
At 1 April 2021	188	1,488	1,676
Charged in year	5	408	413
Disposals	-	(4)	(4)
Transfers and reclassifications	3	-	3
Revaluation released to SOCNE	-	(15)	(15)
Revaluation	-	(11)	(11)
At 31 March 2022	196	1,866	2,062
Carrying amount at 31 March 2022	62	2,660	2,722
Carrying amount at 31 March 2021	14	3,006	3,020
Asset financing:			
Owned	62	2,660	2,722
Carrying amount at 31 March 2022	62	2,660	2,722

7 Financial instruments

As the cash requirements of the Agency are met substantially through either income from other government bodies or the estimates process, the Agency is not exposed to any material credit or liquidity risk. Other than financial assets and liabilities which are generated by day-to-day operational activities the Agency holds no financial instruments. The Agency is not exposed to any material foreign exchange risk and substantially all invoices are paid in sterling.

8 Cash and cash equivalents

	2022-23 £000	2021-22 £000
Balance at 1 April	(100)	9
Net changes in cash and cash equivalent balances	(231)	(109)
Balance at 31 March	(331)	(100)

The following balances at 31 March are held at:

NI banking pool	(331)	(100)
Balance at 31 March	(331)	(100)

9 Trade receivables, financial and other assets

	2022-23 £000	2021-22 £000
Amounts falling due within one year		
Trade receivables	59	11
Other receivables	2	2
Prepayments and accrued income	535	584
	596	597

Trade receivables are stated net of the following impairment:

	2022-23 £000	2021-22 £000
Balance at 1 April	1	29
Increase in impairment	-	-
(Decrease) in impairment	-	(28)
Balance at 31 March	1	1

10 Trade payables, financial and other liabilities

	Note	2022-23 £000	2021-22 £000
Amounts falling due within one year			
Bank overdraft	8	331	100
VAT payable		36	37
Trade payables		73	65
Other payables		795	757
Accruals and deferred income		2,191	2,189
Current part of lease liabilities	12	332	-
		<u>3,758</u>	<u>3,148</u>
Amounts falling due after one year			
Leases	12	-	-
		<u>-</u>	<u>-</u>
Total		<u>3,758</u>	<u>3,148</u>

11 Provisions for liabilities and charges

	2022-23			2021-22		
	Injury Award £000	Legal Claims £000	Total £000	Injury Award £000	Legal Claims £000	Total £000
Balance at 1 April	322	294	616	306	331	637
Provided in the year	-	-	-	-	-	-
Provisions not required written back	-	-	-	-	(37)	(37)
Provisions utilised in the year	(10)	-	(10)	(10)	-	(10)
Borrowing costs	(100)	-	(100)	26	-	26
Balance at 31 March	<u>212</u>	<u>294</u>	<u>506</u>	<u>322</u>	<u>294</u>	<u>616</u>

Analysis of expected timing of discounted flows

	2022-23 £000	2021-22 £000
Not later than one year	304	304
Later than one year and not later than five years	38	41
Later than five years	164	271
Balance at 31 March	<u>506</u>	<u>616</u>

Injury awards

All benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to FSNI are charged to FSNI by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. An estimated life expectancy of 87 years has been applied. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards, and also on estimated life expectancy of these pensioners.

Legal Claims

The litigation provision relates to claims against the Agency and reflects all known claims where it is considered that it is probable that the claim will be successful and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

Court of Appeal judgment on backdated holiday pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 but the Supreme Court judgment has not yet been issued.

The 2022-23 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

- The appeal to the Supreme Court (as detailed above);
- Lack of accessible data for years previous to 2011; and,
- Ongoing negotiations with Trade Unions.

12 Leases – Right of use assets

In 2022-23, the Agency adopted IFRS16 which replaced IAS 17 (see note 1.6). The Agency's lease contracts comprise leases of operational buildings.

12.1 Quantitative disclosures around right of use assets

	Buildings £000	Total £000
Right of use assets		
As at 1 April 2022 – IFRS 16 Leases cut-over adjustment	330	330
Additions in period	-	-
Depreciation expense	(180)	(180)
As 31 March 2023	150	150

12.2 Quantitative disclosures around lease liabilities

	2022-23	2021-22
	£000	£000
Buildings		
No later than one year*	332	-
Later than one year and no later than five years	-	-
Later than five years	-	-
	332	-
Less interest element	(1)	-
Present value of obligations	331	-

* Accrued lease payments for 2022-23 at £181k are included in no later than one year.

12.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	2022-23	2021-22
	£000	£000
Expenses related to short term leases	-	-
Expense related to low value asset leases (excluding short term leases)	-	-
	-	-

12.4 Quantitative disclosures around cash outflow for leases

	2022-23	2021-22
	£000	£000
Total cash outflow for lease	(1)	-

13 Capital commitments

	2022-23	2021-22
	£000	£000
Contracted capital commitments at 31 March not otherwise included in these Accounts:		
Property, plant and equipment	127	31
Intangible assets	-	7
	127	38

14 Other financial commitments

The Agency has not entered into any other non-cancellable contracts at 31 March 2023 (31 March 2022: £Nil).

15 Contingent liabilities disclosed under IAS 37

The Agency does not have any contingent liabilities.

16 Related party transactions

Forensic Science Northern Ireland is an Executive Agency of the Department of Justice (DoJ). During the year, the Agency had various material transactions with the State Pathologist's Department (part of the DoJ Core Department) and Northern Ireland Courts and Tribunals Service (an Executive Agency within the Department).

The Agency also had material transactions with the Police Service of Northern Ireland for which the DoJ is regarded as the parent Department. In addition, the Agency has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with the Public Prosecution Service and HM Revenue and Customs.

No Leadership Board member, key manager or other related parties has undertaken any material transactions with the Agency during the year.

17 Third party assets

FSNI did not hold any third party assets during 2022-23 (2021-22: Nil).

18 Events after the reporting period

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

Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 28 June 2023.

Glossary of abbreviations

A&RAC - Audit and Risk Assurance Committee
BAR - Business Appointment Rules
C&AG - Comptroller and Auditor General
CARE - Career Average Revalued Earnings
CCM - Cost Cap Mechanism
CCSD - Customer and Corporate Services Director
CETV - Cash Equivalent Transfer Value
CJINI - Criminal Justice Inspectorate Northern Ireland
CJS - Criminal Justice System
CM - Case Management
CoA - Court of Appeal
CPI - Consumer Price Index
CSP - Civil Service Pensions
DAERA - Department of Agriculture, Environment and Rural Affairs
DEL - Departmental Expenditure Limit
DfC - Department for Communities
DNA - Deoxyribo Nucleic Acid
DoF - Department of Finance
DoH - Department of Health
DoJ - Department of Justice
DoLS - Director of Laboratory Services & Quality
DoRs - Director of Reporting Services
DPA - Data Protection Act
DUI - Driving under the influence
DUID - Driving under the influence of Drugs
ECNI - Equality Commission for NI
EFDNI - Employers for Disability NI
ERU - Evidence Recovery Unit
ETS - Extensions to Scope
FINDS - Forensic Information Databases Services
FReM - Financial Reporting Manual
FSNI - Forensic Science Northern Ireland
FSOG - Forensic Science Oversight Group

GAD - Government Actuary's Department
GDPR - General Data Protection Regulation
GIAS - Group Internal Audit Services
GIS - Guaranteed Interview Scheme
H&S - Health and Safety
HM - Her Majesty
HMRC - Her Majesty's Revenue and Customs
HR - Human Resources
HSENI - Health and Safety Executive Northern Ireland
IAS - International Accounting Standard
ICT - Information and Communications Technology
IFRS - International Financial Reporting Standard
IJSD - International Job Shadow Day
ILAC - International Laboratory Accreditation Cooperation
ISO 17025:2017 - General Requirements for the Competence of Testing and Calibration Laboratories Standard
IT - Information technology
KPI - Key performance indicator
LB - Leadership Board
LCM - Legislative Consent Motion
LGBTQ+ - lesbian, gay, bisexual, transgender, queer (or sometimes questioning), and others
MI - Management Information
MoU - Memorandum of Understanding
MPMNI - Managing Public Money Northern Ireland
MSER - Manufacture and Storage of Explosives Regulations
NDPBs - Non Departmental Public Bodies
NED - Non-Executive Director
NFI - National Fraud Initiative
NI - Northern Ireland
NIAO - Northern Ireland Audit Office
NICS - Northern Ireland Civil Service
NICSHR - Northern Ireland Civil Service Human Resources
NIHRC - Northern Ireland Human Rights Commission
NISRA - Northern Ireland Statistics & Research Agency
OPONI - Office of the Police Ombudsman for Northern Ireland
PAC - Public Accounts Committee

PCSPS - Principal Civil Service Pensions Schemes
PFI - Private Finance Initiative
PPS - Public Prosecution Service
PSNI - Police Service of Northern Ireland
PSP&JO - Public Service Pensions and Judicial Offices
QMS - Quality Management System
R&D - Research & Development
RoFP - Review of Financial Process
RTC - Road Traffic Collisions
RTTCWG - Report to Those Charged with Governance
SCS - Senior Civil Servants
SMT - Senior Management Team
SOCNE - Statement of Comprehensive Net Expenditure
SOFP - Statement of Financial Position
SPD - State Pathologist's Department
The Agency - Forensic Science Northern Ireland
UK - United Kingdom
UKAS - United Kingdom Accreditation Service
VAT - Value Added Tax
WEEE - Waste Electrical and Electronic Equipment
WMS - Written Ministerial Statement



151 Belfast Road
Carrickfergus
BT38 8PL

Tel: 028 9036 1800
Fax: 028 9036 1809

Email: info@fsni.gov.uk
Web: www.fsni.gov.uk

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