

Criminal Justice Inspection
Northern Ireland
a better justice system for all



Annual Report
and Accounts
2013/14

Annual Report and Accounts 2013/14

Criminal Justice Inspection Northern Ireland Annual Report and Accounts for the year ended 31 March 2014.

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

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

on

10 July 2014.

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Chief Inspector's Report

This has been a challenging year for the criminal justice system in Northern Ireland. The failure to find political consensus over flags, parades and dealing with the past has meant that these issues continue to consume increasing criminal justice resources, together with the significant overspend on civil legal aid which had to be paid for by the criminal justice agencies.

The criminal justice agencies pre-planning for G8 was impressive and reflected levels of cooperation and partnership working which could and should be mainstreamed into their day-to-day operations. The World Police and Fire Games and the Londonderry/Derry City of Culture were real success stories for Northern Ireland and helped offset the negative imagery of public disorder.

Northern Ireland continues to be one of the safest places to live and in 2013 crime was at its lowest recorded levels. Diversionary disposals of minor criminal cases have increased as has the police use of discretion and fixed penalty notices. As a result there are fewer prosecutions in the Magistrates Court, although criminal cases in the Crown Court have increased and consequently, more offenders are being sent to prison.

I continue to provide independent assessments on the progress being made to deliver prison reform and we are now reaching the stage when more positive outcomes for prisoners should be expected and rehabilitation and



Brendan McGuigan
Chief Inspector

desistance strategies start to impact on overall reoffending. There are many challenges ahead including the ability to fund an ambitious prison estate rebuilding programme.

I have been heartened by the positive approach of some of the smaller criminal justice agencies to inspection recommendations and how they engage with Inspectors to ensure that they derive the maximum benefit from the inspection process. I am fully aware of the pressures being faced by the criminal justice system and, as a result, we have shifted towards a smaller number of more focussed strategic/operational recommendations aimed at delivering meaningful change.

The relevance of the inspection topics is there for all to see, but especially this year. In 2013-14 we reported on the Preparedness of the Criminal Justice Agencies to deal with exceptional or prolonged Public Disorder prior to G8; the Impact of Dealing with the Past prior to the completion of the Haass Talks; the relationship between the Office of the Police Ombudsman and the Police Service of Northern Ireland; the problems with Legal Aid; and the functioning of the Legal Services Commission.

These reports and others attracted the attention of the Northern Ireland Assembly, the Committee for Justice and the Northern Ireland Policing Board in their questions and debates. Media interest in our work remains strong and our continued engagement with the media continues to assist with the dissemination of our inspection findings, conclusions and recommendations for further improvement, to the wider community.

The objectives of Criminal Justice Inspection Northern Ireland are to promote efficiency and effectiveness through assessment and inspection; to provide an independent and impartial assessment to Ministers and the wider community on the working of the justice system; to provide independent scrutiny of the conditions for, and treatment of, users of the justice system; and to work in partnership to deliver high quality independent, impartial inspection reports. Once again, as you will see from this Annual Report, I believe these objectives have been met in full.

Finally, I would like to thank all those organisations we have worked with throughout the year, and in particular, the staff in CJI for their delivery of high quality inspection reports.



BRENDAN MCGUIGAN
Chief Inspector of Criminal Justice in
Northern Ireland

April 2014

Strategic Report

Background information

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

The first Chief Inspector was appointed by the Secretary of State for Northern Ireland in August 2003, to inspect or ensure the inspection of all aspects of the criminal justice system, other than the courts, and to contribute in a significant way to the effective and efficient running of the criminal justice system, while helping to guarantee that it functions in an even-handed way. The courts were initially omitted from the organisation's inspection remit, but were added following legislative change in 2007. The current Chief Inspector, Brendan McGuigan was appointed by the Minister of Justice David Ford, MLA on 30 November 2012.

Criminal Justice Inspection Northern Ireland (CJI) went live in October 2004 and from that time until the devolution of justice matters to the Northern Ireland Assembly on 12 April 2010, it conducted a programme of inspections which were agreed annually with the Secretary of State for Northern Ireland. Following the devolution of justice matters, responsibility for agreeing CJI's inspection programme passed to the locally-elected Minister of Justice.

From 12 April 2010, CJI became an Executive Non-Departmental Public Body of the Department of Justice (DOJ).



James Corrigan

Chief Executive and Accounting Officer

Remit of CJI

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

Inspections must be carried out by CJI in relation to these bodies or organisations unless the Inspectorate is satisfied they are subject to a satisfactory inspection regime. Organisations which fall within CJI's remit include:

Core criminal justice organisations

- The Police Service of Northern Ireland;
- The Public Prosecution Service;
- The Northern Ireland Prison Service;
- The Probation Board for Northern Ireland;
- The Youth Justice Agency;
- The Northern Ireland Courts and Tribunals Service;
- The Office of the Police Ombudsman for Northern Ireland;
- Forensic Science Northern Ireland;
- The State Pathologist's Department;
- The Compensation Service for Northern Ireland;
- The Northern Ireland Legal Services Commission;
- The Parole Commissioners for Northern Ireland;
- Community-based restorative justice schemes; and
- Probation and Bail hostels (Approved Premises).

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

- The Child Maintenance and Enforcement Division;
- Health and Social Care Board and Trusts;
- The Department of Enterprise, Trade and Investment;
- The Department of the Environment;
- The Health and Safety Executive for Northern Ireland;
- The Northern Ireland Social Security Agency;
- Royal Mail Group;
- Belfast International Airport Ltd;
- Belfast Harbour Commissioners; and
- Larne Harbour Ltd.

CJI's Vision

CJI's vision is summed up as '*a better justice system for all*'.

By that we mean a criminal justice system that works smoothly and efficiently, protecting everyone, working to reduce crime and helping

to put offenders back on the right track so that they will not offend again. It also means a system that does all these things with absolute fairness, promotes equality and human rights and is responsive to the real concerns of the community. A justice system that can do these things is the foundation for a peaceful and cohesive community and is a prerequisite for health and prosperity.

That vision requires the collaboration of all the agencies of the criminal justice system, the voluntary sector and political and community-based organisations to bring it about. CJI contributes to it by conducting inspections of individual agencies and cross-cutting thematic reviews of aspects of the criminal justice system.

CJI's Values

The Inspectorate's values are summed up as:

- independence;
- impartiality;
- honesty;
- integrity;
- respect;
- openness; and
- robustness.

CJI's Mission

CJI's mission is to work closely with the inspected agencies in a professional and mature way. We will maintain our robustness and independence by producing relevant, respected inspection reports that add value to the criminal justice system and enhance the public's experience of contact with every part of the criminal justice system.

We will achieve our mission by:

- maintaining our values at all times;
- communicating clearly and frankly;
- listening to all interested parties;
- identifying and communicating good practice;
- producing enabling, balanced, objective reports;
- taking account of sensitive issues;
- providing a supportive work environment that reflects our values; and
- pursuing excellence.

CJI's Aims

CJI contributes to the DOJ's aims by improving public confidence in the justice system. It will do so by assisting the criminal justice agencies in Northern Ireland to become more efficient and effective, and by ensuring that they are being fair and equitable in all their policies and operations.

During 2013-14 CJI's formal accountability was to the Minister of Justice.

CJI's Objectives

The strategic objectives of CJI are to:

- promote efficiency and effectiveness through assessment and inspection to facilitate performance improvement;
- provide an independent assessment to Ministers and the wider community on the working of the criminal justice system;
- provide independent scrutiny of the conditions for and treatment of, users of the criminal justice system, in particular victims and witnesses, children and young people, prisoners and detainees; and
- work in partnership to deliver a high quality, independent and impartial inspection programme.

The business aims of CJI are to:

- conduct a series of planned inspections;
- conduct a series of planned follow-up inspections/action plan reviews;
- increase/maintain engagement with stakeholders in the criminal justice system;
- increase/maintain awareness of CJI within the justice system;
- fulfil its statutory requirements;
- maintain a sound system of financial control;
- retain a quality management system; and
- retain support for the Inspectorate through an effective communications programme.

To achieve these objectives, CJI will:

- ensure the inspection of the main agencies of the criminal justice system in Northern Ireland;
- conduct cross-cutting thematic reviews of subjects which involve more than one agency;

- determine CJI's programme of inspection and action plan reviews/inspection follow-up reviews each year in consultation with the Minister of Justice and the Attorney General for Northern Ireland;
- present inspection reports to the Minister of Justice;
- publish an Annual Report of CJI's activities; and
- employ a small number of appropriately qualified and experienced Inspectors and seek expert assistance from other inspection agencies as necessary.

Performance against CJI's objectives and targets for 2013-14

In this section, CJI reports on progress against its objectives and targets for the 2013-14 financial year as listed in its Business Plan. They are divided into three areas: *Inspection programme*; *Communication activity*; and *Corporate business*.

INSPECTION PROGRAMME

Objectives

- to conduct a series of inspections within the legislative remit of CJI and to make the findings of these inspections publicly available;
- to conduct a series of action plan/inspection follow-up reviews of inspections carried out by CJI and to make the findings of these action plan/inspection follow-up reviews publicly available;
- to engage with all criminal justice organisations to formulate action plans in response to inspection recommendations; and
- to support the Programme for Government and the priorities of the Minister of Justice for the criminal justice system through the delivery of the CJI inspection programme.

Targets

- Ninety per cent of strategic and operational recommendations to be accepted by the inspected organisations;
- to agree and sign new protocols with six

- core criminal justice organisations; and
- to commence those inspections listed in the Business Plan within the 2013-14 financial year.

Outcomes

By 31 March 2014 CJI had commenced all the inspections listed within its 2013-14 Business Plan and in addition was involved in-year in two other pieces of work - an inspection of Crown Court files and participation in the joint DOJ/DHSSPS enquiry into Child Sexual Exploitation. Protocols were also agreed and signed with the Police Service of Northern Ireland; Probation Board for Northern Ireland; Northern Ireland Courts and Tribunals Service; Public Prosecution Service; Youth Justice Agency and Northern Ireland Prison Service.

During the financial year 99% of strategic and operational recommendations were accepted by the inspected organisations. This includes recommendations jointly made with Her Majesty's Inspectorate of Prisons (HMIP) following inspections of Ash House Women's Prison, Hydebank Wood (82 recommendations), and Hydebank Wood Young Offenders Centre (74 recommendations).

In addition, CJI commenced work on all five action plan/inspection follow-up reviews listed in the 2013-14 Business Plan.

In this financial year CJI met all inspection programme targets.

COMMUNICATION ACTIVITY

Objectives

- To support the Inspectorate in all its publications in accordance with its legislative requirements;
- to maintain engagement with key stakeholders;
- to maintain awareness of CJI's contribution to the criminal justice system; and
- to increase the use of electronic communications channels to raise awareness of CJI's work.

Targets

- to publish, by laying before the Northern Ireland Assembly, all inspection reports as soon as is practicable after receiving written permission to publish from the Minister of Justice, subject to the Assembly timetable;
- to present to the Northern Ireland Assembly all action plan/inspection follow-up reviews and publish this material on the CJI website - **www.cjini.org**;
- to publish by laying before the Northern Ireland Assembly, CJI's Annual Report and Accounts for 2012-13 before 30 September 2013;
- to obtain feedback on CJI's work from the heads of the main criminal justice agencies; the Minister of Justice for Northern Ireland; the Lord Chief Justice; the Attorney General for Northern Ireland; and the justice representatives of the main political parties, at least once during the 2013-14 financial year;
- to run a symposium within the 2013-14 year involving representatives of the voluntary and community sector and academia with an interest in criminal justice matters; and
- to publish within the 2013-14 financial year, three editions of CJI's newsletter *The Spec* on the website - **www.cjini.org** - and electronically circulate this material to key stakeholders.

Outcomes

During the reporting period 13 full inspection reports and six action plan/inspection follow-up reviews were published by CJI meeting the requirements of the relevant business plan targets. Reports relating to the work of the Prison Review Team were also submitted to the Minister of Justice during the course of the year. On average CJI published its inspection reports within 22 working days of receiving permission to publish from the Minister of Justice. During the course of the year, CJI made extensive use of its stakeholder database to ensure information about the work of the Inspectorate was made widely available. The organisation also published all inspection reports, action plan/follow-up reviews and corporate publications on its website.

Throughout the year, CJI undertook to engage with key stakeholders in order to obtain feedback on the Inspectorate's work. This resulted in a series of meetings being held between the Chief Inspector and the heads of all the criminal justice agencies, the Attorney General for Northern Ireland, the Lord Chief Justice, the Director of the Public Prosecution Service, the Minister of Justice, the Chairman and deputy Chairman of the Committee for Justice, heads of the DOJ Directorates, the Northern Ireland Policing Board and criminal justice spokespersons for each of the political parties represented in the Northern Ireland Assembly. In December 2013, CJI hosted two symposiums involving representatives from the voluntary and community sector and academia which assisted in the development of the 2014-15 inspection programme.

Due to staffing issues, CJI published one edition of its newsletter *The Spec* in the financial year.

CJI engaged with the multi-party Committee for Justice and gave evidence to the Committee on the findings of the follow-up review of the Office of the Police Ombudsman for Northern Ireland (April 2013) and progress in implementing the Prison Review Team recommendations (June 2013). These meetings helped raise awareness of the work of the Inspectorate and its contribution to the criminal justice system.

CJI laid its 2012-13 Annual Report and Accounts in the Northern Ireland Assembly on 5 July 2013 and at the time of writing, was working with its auditors and sponsor division within the DOJ to ensure that its 2013-14 Annual Report and Accounts are laid in the Northern Ireland Assembly by 30 September 2014.

During 2013-14 CJI met all communications activity targets except for its newsletter publication target.

CORPORATE BUSINESS

Objective

- To fulfil the statutory requirements placed upon CJI by the Northern Ireland Assembly and Government;
- to maintain a sound system of financial control; and
- to retain a quality management system within the 2013-14 financial year.

Targets

- To publish a Business Plan for the 2013-14 year which has been approved by the Minister of Justice;
- to maintain a quality management system within CJI;
- to process all payments within 10 days of receipt of a valid invoice or request for payment in line with Government recommendations in partnership with Financial Services Division, DOJ and AccountNI;
- to seek to respond within 20 working days to all requests for information made to CJI under the Freedom of Information Act 2000;
- to respond to all Assembly Questions made of CJI within 10 working days or the specific timeframe advised by the DOJ for Northern Ireland; and
- to seek to obtain a clean (unqualified) audit certificate from the Comptroller and Auditor General for Northern Ireland for the 2012-13 accounts.

Outcomes

During 2013-14, CJI successfully retained ISO 9001:2008 certification. The certificate was awarded following an in-depth audit of CJI's processes by NQA, an accredited certification body in February 2014.

CJI also responded to all requests for information it received from the DOJ in relation to Assembly Questions within its target timeframe and processed all requests for information received under the Freedom of Information Act 2000 within the 20 working days in accordance with legislative requirements.

During the first full year of processing financial payments in partnership with Financial Services Division (FSD) and Account NI, CJI processed 79% of payments within the 10-day target and 95% within 30 days. CJI remains committed to working to improve these figures during 2014-15 through close engagement with colleagues from FSD and AccountNI.

CJI successfully published its 2013-14 Business Plan after receiving Ministerial approval to publish. A draft inspection programme for inclusion in CJI's 2014-15 Business Plan was prepared and consulted upon during the first three months of 2014. At time of writing, CJI has drafted its 2014-15 Business Plan with a view to submitting it to the Minister of Justice for approval.

In June 2013, CJI secured a clean (unqualified) audit certificate from the Comptroller and Auditor General for Northern Ireland in relation to its 2012-13 accounts. In respect of the audit certificate and report of the Comptroller and Auditor General for Northern Ireland on CJI's 2013-14 accounts, please refer to the comments contained on pages 45 and 46 of this report.

CJI met all corporate business targets listed in the 2013-14 business plan with the exception of its prompt payment target.

Reports and Accounts

I am also the Accounting Officer for the organisation. As such, I have responsibility for the preparation of accounts and maintaining a sound system of internal control that supports the achievement of CJI's policies, aims and objectives while safeguarding the public funds and CJI's assets for which I am personally responsible.

I must also prepare a Statement of Account in each financial year in the form directed by the Minister of Justice. The Statement of Account must be submitted to the Department/Minister of Justice and the Comptroller and Auditor General for Northern Ireland.

The details of remuneration of senior management are set out in the remuneration report which can be found on pages 33 to 37.

Going Concern

The Statement of Financial Position at 31 March 2014 shows negative Taxpayers' Equity of £91,303. This reflects the inclusion of liabilities falling due in future years which are to be financed by drawings from the NI Consolidated Fund. Such drawings will be from grants of Supply approved annually by the Northern Ireland Assembly, to meet the Net Cash Requirement of the DOJ of which the CJI is part.

Future financing of CJI's liabilities is accordingly to be met by future grants of Supply to the DOJ and the application of future income, both to be approved annually by the Northern Ireland Assembly. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the CJI's financial statements for 2013-14.

Disclosure to Auditors

As Accounting Officer, I am not aware of any relevant audit information of which CJI's auditor is unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that CJI's auditor is aware of that information. The accounts are audited by the Comptroller and Auditor General for Northern Ireland. Total audit fees for 2013-14 as per the accounts are £12,000 (£11,800 in 2012-13).

Principal Risks

During the 2013-14 financial year CJI conducted a risk analysis examining a wide range of possible risks to the organisation and to the delivery of its objectives. The risks were reviewed in April, June, and December 2013 to ensure the risks considered were relevant to the organisation. During the course of the year, CJI changed its process for evaluating risk to reflect best practice. Taking into account the organisation's risk appetite, inherent and residual risks and control mechanisms to minimise

disruption to CJI's operations, the main risks in practice are seen as:

Change Programmes - failure by CJI to secure accommodation in a timely manner to meet future business needs;

Finance/Value for Money - the need to manage in-year financial pressures; and

Operations - the danger of the loss of key skills/knowledge from CJI staff.

In each case – including other less likely but potentially damaging risks – CJI has up-to-date plans in place to negate the impact.

Protected Personal Data

A.1 CJI holds names, home addresses including postcodes, mobile telephone numbers and dates of birth for all directly recruited members of staff.

A.2 Bank, financial details, National Insurance Numbers and mother's maiden names are also on file.

The above information is retained on individual personnel files which are stored in a security cabinet in a store with a combination lock door.

This information does not leave CJI apart from initial registration with HR Support within the DOJ and criminal record checks.

CJI maintains a database in excess of 1,000 names, addresses, postcodes, email and fax numbers of stakeholders/recipients of all CJI publications.

None of this detail is transported outside of CJI.

CJI confirms that during 2013-14 there were no personal data related incidents to report to the Information Commissioner.

Accounts Preparation and Financial Position

The accounts for 2013-14 have been prepared on an accruals basis.

The financial position at the year end is set out in the Statement of Comprehensive Net Expenditure on page 47.

Revenue Grant-in-Aid for the period was £1,307,000 (£1,080,000 in 2012-13) and the Net Expenditure £1,288,587 (£1,457,453 in 2012-13).

Details of the General Reserve and the Revaluation Reserve are given in the Statement of Changes in Taxpayer's Equity on page 50. An amount of £14,186 (£13,028 in 2012-13) was transferred to the Revaluation Reserve. This represents the movement in the valuation of non-current assets in the year.

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

Prompt Payment

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

During the year ended 31 March 2014, 79% (71.0% in 2012-13) were paid in this 10-day timeframe. CJI remains committed to increasing its prompt payment figure and is working in partnership with colleagues in Financial Services Division (FSD) and Account NI to minimise delay and drive forward further improvements in 2014-15. By the end of the financial year, CJI processed an average of

95% of payments within 30 days (91.27% in 2012-13).

Pension Liabilities

Details of how pension liabilities are treated can be found in the accounting policy note 1(b) on page 51.

Off Payroll Engagements

CJI had no 'off-payroll' engagements at a cost of over £58,200 per annum in place as at 1 April 2013. This remained the case in year with no 'off-payroll' engagements at a cost of over £58,200 per annum in place as at 31 March 2014.

Register of Interests

All staff members are required to provide information on personal or business interests that may be perceived by a reasonable member of the public to influence their judgement in the exercise of their public duty. CJI maintains a Register of Interests which is available for public inspection.

Review of Activities

The aim of CJI's activities is improvement. Its inspections examine the strengths and areas for improvement. It may make recommendations designed to help an organisation to improve in any aspect of its performance.

CJI will do this in two stages by:

- collecting data in advance and forming provisional judgments as to the strengths and weaknesses of the organisation; and
- testing those judgments in the inspection, finalising them and turning them, where appropriate, into recommendations.

CJI believes that the most productive way to promote improvement is by working in partnership with agencies. There may be occasions when the work of an agency is of such a poor standard and when it shows neither the will, nor the capacity to improve, that the Inspectorate would have no option but to state publicly that the position was unacceptable. But most of the time, CJI will work in collaboration with the agencies it inspects, on the basis that

their managers share the common aim of improvement.

Inspections conducted by CJI fully reflect the Cabinet Office principles for the inspection of public services to:

- pursue the purpose of inspection;
- focus on outcomes;
- be proportionate to risk;
- encourage self-assessment by managers;
- use impartial evidence wherever possible;
- disclose the criteria used for judgement;
- be open about the processes involved;
- have regard to value for money, including that of the inspecting body; and
- continually learn from experience.

Each inspection involves seeking the views of the agency's partners in the criminal justice system and the community on the agency's performance. The agency itself where appropriate, is also asked to self-assess against the inspection criteria identified in the Terms of Reference, identifying as honestly as possible, its own strengths and weaknesses – not to be used against it – but as a token of its commitment to inspection and as an aid to improvement.

The development of a capacity for rigorous and perceptive self-criticism among the management of the agencies, is fundamental from that point of view.

On the basis of the self assessment an inspection fieldwork plan is produced. This forms the basis of the methodology and structure used to carry out the inspection fieldwork. This is followed by the drafting of the initial inspection report and the presentation of emerging findings to the inspected criminal justice agency/ies. Draft inspection reports are then shared with the inspected agency/ies as part of CJI's factual accuracy and quality assurance processes. The final report is then presented to the Minister of Justice and permission to publish by laying before the Northern Ireland Assembly sought.

Corporate Ethos

CJI aims to manage itself according to the best current principles. It aims to be a good employer

but a disciplined one. Although the terms and conditions of staff members are broadly aligned with those of the Northern Ireland Civil Service (NICS), the culture of the organisation is modelled on a modern, knowledge-based business.

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

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

Sustainable Development

CJI is committed to continuing its drive on sustainable development by promoting and maintaining a positive and inclusive culture amongst staff and stakeholders. Its aim is to foster governance and leadership in sustainability and to work collaboratively to avoid and minimise adverse impacts of the organisation's activities on the environment and society, and reduce the organisation's carbon footprint.

During 2013-14, CJI rationalised its office accommodation by decanting from two floors to one floor at its Belfast city centre base. This resulted in better utilisation of space and a reduction in the organisation's overall carbon footprint. CJI also maintained its recycling policy for non-sensitive paper waste across the organisation. In year the Inspectorate reduced the number of hard copy inspection reports and other corporate publications being printed, choosing where possible, to publish this material via its website and distribute it via email.

Organisational Structure and Responsibilities

The Chief Inspector of Criminal Justice in Northern Ireland is the head of the organisation and as such, has responsibility for ensuring the Inspectorate carries out a programme of inspection among the criminal justice agencies within its legislative remit.

He has responsibility to report the findings of the Inspectorate's work to the Minister of Justice and to ensure CJI's reports are laid in the Northern Ireland Assembly.

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

The Chief Inspector and Deputy Chief Inspector have responsibility for directing and controlling the major activities of the organisation during the year and as such, are the key members of CJI's Senior Management Team (SMT). They are assisted in their work by finance colleagues from the Financial Services Division of the DOJ, the Business and Communications Manager and a representative of the Inspection Team.

While CJI does not have a Management Board, it has an Audit and Risk Committee which meets four times during a calendar year. Minutes of CJI's Audit and Risk Committee meetings are publicly available on the CJI website - www.cjini.org. CJI also participates in quarterly oversight meetings with officials from its sponsor division within the DOJ.

Organisational Development

CJI first indicated that it would seek certification for its Quality Management System(QMS) in its 2009-12 Corporate Plan and in February 2011, CJI's business operations were awarded ISO 9001:2008 certification following a comprehensive audit. Since then CJI has been independently audited on an annual basis and certification for the QMS system retained.

A programme of internal audits and regular evaluation of procedures ensures that there is continuous improvement of the QMS to continue to enhance the system used to consistently deliver a quality product.

Staffing

CJI had a complement of 14 full time staff at the start of 2013-14. During the course of the year, staffing figures reduced to 13.2 Full Time Equivalent (FTE) after a member of the Inspection team moved to part-time working. This figure remained constant following the substantive appointment of the Deputy Chief Inspector in August 2013.

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

During 2013-14, the Deputy Chief Inspector undertook a one-day media training session to enhance their skills; training in tender evaluation; and a two-day course in recruitment and selection skills. They also undertook a sickness absence management e-learning module.

A member of the Inspection Team was awarded a Masters Degree in Public Administration after completing a two-year programme of part-time study. They also undertook training in recruitment and interviewing skills.

Five members of staff drawn from the Inspection and Business Support Teams participated in mental health resilience training during the

course of the year with all staff completing a number of e-learning modules on protective markings for information; health and safety and fire safety procedures.

During the year, the Chief Inspector and three CJI Inspectors undertook roles as mentors within the DOJ Mentoring Programme, while a member of the Business Support Team participated in the mentoring scheme as a mentee.

Three members of the Business Support Team joined the Chief Executive in undertaking training in tender evaluation practice, while two attended a training session on effective contract management. Another two members of the Business Support Team attended awareness sessions linked to procurement of contracts under £30,000.

Senior management within CJI and members of the Inspection Team are also members of the Chief Executive's Forum and attended a number of events and seminars organised by the Forum throughout the year.

A member of the Inspection Team also participated in Women's Leadership Initiative organised by the Chief Executive's Forum, while the Business and Communication Manager commenced a CIPFA Certificate in Management Practice (Financial Skills).

The Chief Inspector has line management responsibility for the Deputy Chief Inspector while the Deputy Chief Inspector has line management responsibility for the Inspection staff, the Business and Communications Manager, IT and Security Manager and Personal Assistant. The Business and Communications Manager has line management responsibility for the Business and Communications Support Officer and Business and Administration Support Officer.

In 2013-14 the average level of staff sickness absence stood at 7.00 days per employee (3.07 days in 2012-13).

External Communication

During 2013-14, CJI continued its programme of external communication. The publication of the findings of CJI's inspection reports and action plan reviews/inspection follow-up reviews provides a valuable opportunity to reinforce with stakeholders and the community, the quality and impartial nature of the work carried out by the Inspectorate.

The publication of inspection reports enables the organisation to highlight the contribution it makes to the continued improvement of the criminal justice system in Northern Ireland.

The Chief Inspector and Deputy Chief Inspector took the lead roles in promoting the work of the Inspectorate and the findings of its inspection reports and action plan reviews/inspection follow-up reviews.

During the financial year the publication of each report was accompanied by a press release and where appropriate, supplementary communications activity. In addition, the Chief Inspector and members of the Inspection Team responded to requests for interviews from print and broadcast media outlets, wire and internet-based news services. They also contributed to a number of current affairs programmes examining issues related to criminal justice matters.

In year the Chief Inspector, Deputy Chief Inspector and Inspection Team engaged with the Northern Ireland Policing Board and its various Committees. They have also maintained regular contact with the Criminal Justice Board and the Office of the Prisoner Ombudsman for Northern Ireland. Evidence was also presented to the Northern Ireland Assembly's multi-party Committee for Justice.

The CJI Chief Inspector's involvement in the Prison Oversight Group continued during the course of the financial year along with David Ford MLA, Minister of Justice; Nick Perry, Permanent Secretary, DOJ; Andrew McCormick, Permanent Secretary, Department

of Health, Social Services and Public Safety; Patricia Gordon, Northern Ireland Prison Service non-executive Director; Professor Monica McWilliams, former Chief Commissioner of the Northern Ireland Human Rights Commission; and Duncan McCauseland, former Assistant Chief Constable, Police Service of Northern Ireland.

During 2013-14 the Chief Inspector continued their involvement with the Heads of Inspectorates Forum which brings together the heads of all inspection and regulation agencies within the UK and attended a meeting of the Independent Monitoring Board Chairs. He also met with representatives of An Garda Síochána Inspectorate and Professor John McNeill, the Police Investigation and Review Commissioner for Scotland.

CJI also maintained its links with NI-CO and the Council of Europe participating in and providing presentations to visiting delegations from Jordan and Macedonia. William Priestley from the Inspection Team travelled to Skopje, Macedonia to participate in a seminar organised by the Council of Europe.

The Chief Inspector and Deputy Chief Inspector participated in a number of events linked to criminal justice matters hosted by Queen's University, Belfast during the year. The Chief Inspector also took part in a number of seminars focusing on prison related issues organised by NIACRO.

In addition CJI senior management and members of the Inspection Team were pleased to accept a number of invitations to address conferences and seminars linked to criminal justice matters. Mr McGuigan was invited to join the judging panel for the annual Policing with the Community Awards at Belfast City Hall and participated in a Northern Ireland Policing Board two-day police oversight and accountability conference. Among other things, the Chief Inspector participated in discussions around racial hostility led by the Northern Ireland Human Rights Commission.

CJI involvement in the UK's National Preventive Mechanism

The Optional Protocol to the Convention against Torture and other Cruel, Inhumane or Degrading Treatment or Punishment (OPCAT) is an international human rights treaty designed to strengthen the protection of people deprived of their liberty. It acknowledges that such people are particularly vulnerable to ill-treatment and advocates that efforts to end such ill-treatment focus on prevention through a series of regular visits to places of detention.

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

The inspections that CJI published in 2013-14 on Ash House Women's Prison, Hydebank Wood; Hydebank Wood Young Offenders Centre; and ongoing monitoring visits to the Juvenile Justice Centre, specifically related to its NPM function. The UK NPM published its fourth annual report in March 2014.

Corporate and Business Planning

During the 2013-14 financial year, CJI published its Business Plan which set out the objectives, targets and resources CJI intended to employ to achieve them during the financial year. The Business Plan included an overview of the programme of inspections and action plan reviews/inspection follow-up reviews the Inspectorate intended to undertake.

As part of its preparation work for the Business Plan, the Chief Inspector held a series of meetings with senior figures in each of the key

criminal justice organisations. The meetings were held to gain their views on the topics and areas which merited inclusion in the proposed inspection programme.

Consultation meetings were held with representatives of other criminal justice bodies and stakeholders working within the criminal justice sector which CJI has responsibility for inspecting. Discussions also took place with the Lord Chief Justice, Sir Declan Morgan, the Attorney General for Northern Ireland, John Larkin, QC and senior figures from each of the political parties represented in the Northern Ireland Assembly. These discussions assisted the Inspectorate in refining the proposed inspection programme prior to its submission to the Minister of Justice and subsequent publication.

Similar meetings were also held in the latter part of the financial year with senior figures in each of the key criminal justice organisations, representatives of other criminal justice bodies and stakeholders working within the criminal justice sector, including members of the voluntary and community sector and academics, to inform CJI's thinking around the development of the 2014-15 inspection programme.

Working in partnership

During the 12 months between April 2013 and March 2014, CJI continued to work closely with its partner Inspectorates including Her Majesty's Inspectorate of Prisons, Her Majesty's Inspectorate of Constabulary, Her Majesty's Inspectorate of Probation, Her Majesty's Crown Prosecution Service Inspectorate, the Education and Training Inspectorate and the Regulation and Quality Improvement Authority. Links with the Northern Ireland Audit Office were also maintained.

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

Political engagement

In year CJI enjoyed a productive and mutually beneficial working relationship with the Minister of Justice, David Ford MLA. The Chief Inspector attended quarterly meetings with the Minister which formed part of CJI's consultation on its proposed inspection agenda for the 2014-15 financial year. These meetings were supplemented by specific briefings on individual reports throughout the year.

The Inspectorate also welcomed the opportunity to engage and have discussions with politicians appointed to the Northern Ireland Assembly's Committee for Justice. MPs, MEPs and locally elected politicians within the Northern Ireland Assembly continued to receive copies of all CJI's inspection reports and action plan reviews/inspection follow-up reviews during the course of the year. CJI also met with local political party justice representatives during 2013-14.

Information Assurance

CJI has aligned itself with the Information Assurance arrangements in place within the DOJ. These arrangements mirror policies and procedures in place within other departments in the Northern Ireland Executive.

CJI continues to comply with the Information Assurance Action Plan implementing security policies and guidance. CJI further complies with quarterly Accreditation and Risk Management reports in line with the DOJ Security Policy framework.

In November 2011 CJI was granted full accreditation from its sponsor department for its IT system. This accreditation, which is valid until June 2014, ensures that CJI's Information, Communication and Technology systems are processing protectively marked information in the correct way.

CJI Equality Scheme and Action Plan

On 31 August 2013 Criminal Justice Inspection published its fourth annual report to the Equality Commission. CJI's Equality Scheme and Action Plan is also available on the CJI website - www.cjini.org. The Scheme sets out how CJI proposes to fulfil its statutory duties and was drawn up in accordance with Section 75 and Schedule 9 of the Northern Ireland Act 1998 and Equality Commission guidelines. Section 75 of the Northern Ireland Act 1998 (the Act) requires public authorities, in carrying out their functions relating to Northern Ireland, to have 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 Act.

Complaints

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

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

- acknowledge the complaint in writing, within seven working days of receiving it;
- on receipt of a complaint the CJI officer receiving it or an officer nominated by the CJI Complaints Officer will attempt to resolve your complaint by informal resolution;
- will attempt to resolve a first stage complaint as soon as we can and in any case within 15 working days of receiving it; and

- if we have been unable to resolve your complaint within 15 working days of receipt of it we will write to you and keep you informed of its progress.

If an individual is dissatisfied with CJI's response, individuals may contact the CJI Complaints Officer who will personally carry out an investigation into the complaint and keep individuals informed of the outcome of the investigation. CJI will aim to complete this process within 20 working days. Where an individual remains dissatisfied, complaints may be referred to the Northern Ireland Ombudsman.

During 2013-14, CJI received no complaints.



JAMES CORRIGAN
Chief Executive and Accounting Officer
5 June 2014



CJI Audit and Risk Committee Report

The role of the Audit and Risk Committee (previously the Audit Committee) is to support the Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, the integrity of financial statements and the Annual Report.

The scope of the Committee's work is defined in its terms of reference and encompasses the assurance needs of the Accounting Officer. Within this, the Committee is required to have particular engagement with the work of Internal Audit, risk management, the External Auditor and financial management and reporting issues. Internal Audit and External Audit are two significant sources of independent and objective assurance for the Committee and the Accounting Officer.

In order to discharge these responsibilities, the Audit and Risk Committee met four times during the 2013-14 financial year. The meetings were attended by the Chairperson of the Committee who is a non-executive member and one other non-executive member. Also in attendance were the Chief Inspector, the Chief Executive and Accounting Officer, the CJI Business and Communications Manager and a representative of the CJI Inspection Team. Representatives from DOJ sponsor division, Internal and External Audit, and Financial Services Division, DOJ (financial services provider to CJI) were also present. All meetings were well attended.

During the year the Committee:

- reviewed the Risk Register at each meeting. A two-tier approach to risk which scores both inherent and residual risk and takes account of the risk appetite and tolerance level of CJI, was adopted by the Committee at its September 2013 meeting;
- received the Internal Audit reports, recommendations and management responses. The Committee was pleased to welcome the news that all the previous year's Internal Audit recommendations had been implemented;
- recorded its appreciation for the excellent Internal Audit service which had been provided over several years by ASM;
- noted the completion of a Service Level Agreement with the DOJ Internal Audit Service which will, in future through the Head of Internal Audit, deliver an audit opinion to the Accounting Officer on the risk management, control and governance arrangements within CJI;
- approved the Internal Audit Plan for 2013-14 as part of the three-year Internal Audit strategy;
- received and welcomed the Northern Ireland Audit Office letter and final Report To Those Charged With Governance (RTTCWG) which provided a clean report reflecting the high standards of control within CJI;
- updated and amended the Committee's Terms of Reference;
- considered and approved the Committee's Self Assessment Report for 2012-13;

- commented on a draft of CJI's Annual Report, a report on CJI's draft accounts and its Governance Statement and presented the Committee's Annual Report to the Accounting Officer;
- at each meeting reviewed CJI's gifts and hospitality register, the expenses submitted by the Chief Inspector and the Deputy Chief Inspector/Chief Executive and any Direct Award Contracts; and
- noted that no whistle blowing or fraud issues were reported nor were there any declarations of conflicts of interest.

I am satisfied that the CJI Audit and Risk Committee has an understanding of the objectives of CJI and its current significant issues and risks, as well as its structure and governance arrangements which continue to be effective and comprehensive. No major issues were identified during the year.

At the Committee's January meeting the previous chairman Dr W G McCarney was thanked for his dedication, professionalism and expertise over the previous almost seven years.



E A SIMPSON
Chair, CJI Audit and Risk Committee
24 April 2014

Objectives of the Criminal Justice System in Northern Ireland

Constituents of the Criminal Justice System

The criminal justice system in Northern Ireland comprises:

- The Department of Justice (DOJ);
- The Northern Ireland Courts and Tribunals Service (NICTS);
- The Northern Ireland Prison Service (NIPS);
- The Police Service of Northern Ireland (PSNI);
- The Probation Board for Northern Ireland (PBNI);
- The Public Prosecution Service (PPS); and
- The Youth Justice Agency (YJA).

There are also a number of other bodies such as Forensic Science Northern Ireland and the State Pathologist's Department which are essential elements of the system.

By contrast, there are other agencies such as HM Revenue and Customs that are important participants in the criminal justice system but which are excluded from the remit of CJJ.

Ministerial responsibility

The Minister of Justice was responsible during this financial year for all aspects of the criminal justice system apart from the judiciary and the Public Prosecution Service, which is a non-ministerial department funded through the Northern Ireland Assembly.

Government objectives for the Criminal Justice System

The policies in force during this financial year are set out in the DOJ's addendum to the Programme for Government which can be found at

http://www.dojni.gov.uk/index/publications/doj_addendum_to_pfg.pdf.pdf

The DOJ's Corporate Plan for 2012-15 and Business Plan for 2013-14 outlines its strategic aims and objectives, planning assumptions and resourcing. A copy of the Business Plan can be obtained from the DOJ website <http://www.dojni.gov.uk/index/publications/publication-categories/pubs-departmental-business/doj-departmental-business/doj-business-plans/doj-departmental-plan-final-2013-14.pdf>.

Inspection Reports and Action Plan Reviews/Inspection Follow-Up Reviews

This section summarises the findings of inspection reports published by CJI in 2013-14. During this financial year, CJI published 13 full inspections and six action plan reviews/inspection follow-up reviews fulfilling its commitment to revisit each inspection report to assess progress against recommendations made and agreed by the various agencies within the criminal justice system.

It should be noted that some major pieces of work undertaken by CJI in 2013-14 are not due to be published until the 2014-15 financial year. They include CJI's inspection of how the criminal justice system deals with Serious and Organised Crime; the use of disclosure in serious criminal cases; the use of discretionary disposals and the effectiveness of the use of fixed penalties by the Police Service of Northern Ireland (PSNI); the effectiveness of adult safeguarding across the criminal justice system; the effectiveness of Police and Community Safety Partnerships; and the safety of prisoners held by the Northern Ireland Prison Service (NIPS) in partnership with the Regulation and Quality Improvement Authority.

INSPECTION REPORTS

A corporate governance inspection of the Public Prosecution Service for Northern Ireland

The CJI inspection of the Public Prosecution Service (PPS) assessed how the organisation was directed and controlled, how it governed its activities and managed its performance and risk. Inspectors found that the PPS delivered a very high quality of legal decision-making which was a testimony to the professionalism and commitment of its staff. The review indicated that of 124 case files examined, 96% complied with the Prosecutors' Code which compared favourably with the 93% average achieved in England and Wales.

The organisation responded well to the challenges of an increased workload and the development of a regional structure. The overall conclusion was that the governance structures and associated processes within the PPS provided a sound framework to introduce further improvements.

The big challenges facing the PPS were increasingly business and efficiency related. Inspectors found that Prosecutors received insufficient management training and not enough was being done to transition the tools of business to the legal environment. The PPS also needed to focus its attention on service delivery

and holding managers to account for improved outcomes rather than measuring activities, volumes of casework and the management of inputs. Business plans also needed to become more outcome focused.

Although Prosecutor performance was mostly satisfactory, Inspectors concluded that the PPS would benefit from introducing a more comprehensive and reliable assessment process. This should be coupled with a programme of training to develop advocacy skills.

Lead Inspector: Stephen Dolan
Published: April 2013

Community Supervision by the Probation Board for Northern Ireland

In May 2013 a CJI report on how the Probation Board for Northern Ireland (PBNI) supervises offenders within the community found that, on many occasions, the standards applied in Northern Ireland exceeded those in place in England and Wales.

The inspection - undertaken by CJI with support from colleagues from Her Majesty's Inspectorate of Probation in England and Wales (HMI Probation) - was the first comprehensive review of probation practice to be conducted by CJI. Supervising offenders in the community represents a significant proportion of the overall work of the probation service, especially as a small number of these offenders continue to pose a significant risk to the community following their release from prison.

The inspection showed the PBNI to be an effective organisation which understands and accepts its role in delivering public safety and reducing reoffending. Inspectors were reassured that probation practitioners were usually doing all they reasonably could to minimise the risk of harm to the public. The inspection reviewed 100 cases where individuals were being supervised within the community. Inspectors were pleased to find

that in the key areas examined, the PBNI was found to exceed the average percentage scores for similar work carried out in English and Welsh probation regions.

CJI also found the PBNI's Best Practice Framework and Northern Ireland Standards were effective and well utilised. There was also evidence of positive and supportive working relationships between offenders and those involved in supervision work, with probation staff clearly committed to assisting people to move away from offending.

This was one of the most positive reports CJI has produced on any criminal justice agency since it was established in 2004. Three recommendations were made to further reduce risk and deliver practice completeness.

Lead Inspector: Rachel Lindsay
Published: May 2013

Finding the Balance - Matching human resources with priorities within the Police Service of Northern Ireland

During the course of the financial year CJI published a report on matching human resources with priorities in the Police Service of Northern Ireland (PSNI). The report called on the PSNI to take steps to better match its workforce to meet the policing needs of the community in years to come. Rising community expectations for policing together with increasing challenges around austerity have focused greater attention on how the police plan, manage, allocate and deploy their human resources – the workforce accounts for over 80% of the annual police budget.

Inspectors welcomed the increased public confidence in policing which was supported by falling crime rates, improved detection rates and better visibility through the deployment of more officers to front line policing roles.

Sustaining and improving on this performance, particularly in a period of financial austerity and cuts, will require some fundamental changes in

approach and the implementation of workforce reform. This should start with the strengthening of the PSNI's People Strategy, ensuring a closer integration with other relevant strategic and planning documentation. This is particularly relevant as a new Service First strategy is rolled-out across the Service.

The benefits of comparative analysis and adoption of best practice from other police forces (as well as other public bodies) was strongly advocated by Inspectors. This included the adoption of service-wide demand modelling as the basis for future workforce planning. This should be aided by increased flexibility on budget planning and the strengthening of partnerships across the criminal justice system.

Lead Inspector: James Corrigan

Published: May 2013

A review of the criminal justice system's preparedness for exceptional or prolonged public disorder

A review of the criminal justice system's preparedness for exceptional or prolonged public disorder was published by CJI during the financial year. It urged the criminal justice system in Northern Ireland to focus on the development of a partnership approach to address exceptional or prolonged public disorder events.

The inspection was carried out when preparations were underway for the 2013 G8 summit in Co. Fermanagh, and plans were being made for the forthcoming parading season as well as other significant events. It followed a history of outbreaks of public disorder in Northern Ireland where there were often substantial delays between the actual events and subsequent court proceedings. The report highlighted the need for an effective response from the wider criminal justice system to support the rule of law. Inspectors noted that public confidence in the criminal justice system's ability to deal efficiently and effectively with disorder, and quickly deal with those who seek to destabilise society, must be regarded as a central tenet of that system.

Consequently the report recommended a critical incident contingency strategy aimed at providing a coordinated and swift response across the justice system to incidents of exceptional or prolonged public disorder. Inspectors indicated this kind of planning had been a feature of the G8 summit preparations and could be used as a template in the future. As part of wider work on faster, fairer justice, the report indicated that matters of exceptional public interest such as widespread/serious public disorder, should be 'fast-tracked' through the criminal justice process.

Significant work by the PSNI to increase its operational resilience in this area was also noted. The report also indicated there was a need to conduct a more rigorous and comprehensive strategic threat and risk assessment for public order; encompassing wider strategic issues such as workforce composition, finance and other demands.

Lead Inspector: Derek Williamson

Published: June 2013

An inspection of the accuracy of court orders: accuracy, administration and assurance

In year CJI Inspectors assessed the accuracy of recording court orders and appraised the systems for quality assurance and review of court orders in place within the Northern Ireland Courts and Tribunals Service (NICTS). An earlier CJI inspection in 2010 highlighted weaknesses in the administrative arrangements governing court orders and raised specific concerns about the accuracy of Sexual Offences Prevention Orders (SOPOs).

The latest inspection reported the number of detected errors in the 12 months to September 2012 stood at 0.8% (2,756 errors out of 357,409 orders). Alongside this overall assessment, Inspectors reviewed a recent assessment of SOPOs and found that out of 132 orders issued, there were five errors (3.8%) each of which was quickly rectified without any serious adverse outcomes.

Investment by the NICTS in the development of its systems and its interfaces with other criminal justice agencies has delivered this significant improvement. Although an accuracy rate of 100% for all orders remains the ultimate goal, it should be a priority target in cases where a person's liberty is at stake or where conditions for release must be applied.

Lead Inspector: Stephen Dolan
Published: September 2013

An announced inspection of Hydebank Wood Young Offenders Centre

During 2013-14 the findings of an inspection of Hydebank Wood Young Offenders Centre by CJI, Her Majesty's Inspectorate of Prisons, the Education and Training Inspectorate and Regulation and Quality Improvement Authority were published. There were some disappointing findings from this inspection. Across the four healthy prison tests, only in resettlement work were outcomes for prisoners reasonably good. However, the implementation of a previous recommendation that 17-year-olds should no longer be sent to Hydebank Wood was a commendable improvement.

Although self-harm incidents were low, Inspectors found attitudes to this issue were sometimes complacent. The management of security was reactive and arrangements often lacked proportionality.

The prison was clean and physical conditions were mostly reasonable. Most prisoners spent too long locked in their cells and lacked opportunity to spend time in the open air. There was significant regime slippage, and frequent and unpredictable lock-downs. Leadership of learning and skills were poor and there were not enough activity places. However, Inspectors found that the library was excellent, the gym offered some good opportunities, and relationships between teachers and prisoners were good.

It would be wrong to see this as anything other than a concerning report. The Inspection Team made a number of recommendations that should assist Hydebank Wood Young Offenders Centre reaffirm its key purpose in addressing the needs of vulnerable young men.

Lead Inspector: Tom McGonigle
Published: October 2013

An announced inspection of Ash House, Hydebank Wood Women's Prison

This inspection was disappointing, particularly because women continued to be held in a predominantly male prison. The women were reasonably well cared for but they were inevitably marginalised and restricted in their access to facilities and services due to their location within a shared site environment. Recent instability in the management team had also contributed to the problems, and there was a clear gap in leadership.

Ash House was clean and physical conditions were mostly good. But for longer stay residents the environment was claustrophobic and restrictive. Staff-prisoner relationships were generally good, and provision of mental health services had also improved.

Inspectors reported that purposeful activity provision was very poor and the paucity of opportunities had a negative affect on equipping women for release. The library and gym, in contrast, offered a positive experience and were well used. Engagement with external public protection structures had improved, although internal communication processes needed to be better, as did support for indeterminate sentence prisoners.

The prison was safe but little was done to equip women with meaningful skills, and preparation for release and resettlement needed to be a lot sharper. Management and many staff appeared confused about the future direction of the prison and its core purpose. In our view, a radical rethink of the approach to

the imprisonment of women in Northern Ireland was required.

Lead Inspector: Tom McGonigle
Published: October 2013

An inspection of Approved Premises in Northern Ireland

CJI published its latest inspection of Approved Premises in November 2013. One of the most significant findings was to tangibly demonstrate that offenders reduce their risk levels while living in Approved Premises/offender hostels.

The inspection confirmed that the criminal justice agencies, especially the PBNI, and the Housing Executive give this issue significant priority. It found that the level of cooperation between the voluntary organisations which run the Approved Premises, and the statutory agencies was a model of best practice.

Several challenges were identified - governance standards were increasingly demanding; and it was difficult to reconcile local community concerns about the location of Approved Premises with helping offenders to find suitable accommodation.

The report concluded that the Approved Premises practice has progressed since the last CJI inspection. They continue to play a vital role in delivering public protection and providing offenders who want to change their behaviour with a new start.

Lead Inspector: Tom McGonigle
Published: November 2013

A review of the cost and impact of dealing with The Past on criminal justice organisations in Northern Ireland

A review of the cost and impact of dealing with The Past on criminal justice organisations in Northern Ireland was published by CJI in November 2013. The report recognised there is both a legal and moral responsibility on the criminal justice system to ensure that all crimes are fully investigated to provide answers to victims, survivors and families, and where possible, bring offenders to justice. The report was noted as a timely reminder of the impacts and the cost of The Past on the criminal justice agencies.

Inspectors found the criminal justice system had largely absorbed the financial costs of legacy issues without significant separate funding. It was also noted that there were significant consequences for some specialist areas in the criminal justice system, where a disproportionate responsibility was being borne by a relatively small number of individuals and teams engaged in undertaking this legacy work. This had an impact on how current criminal justice issues were being handled. Delay and having to balance competing priorities are the outcomes of this, and these in turn can become a negative influence on public confidence in the overall system. The report provided some clarity on the financial costs which were then estimated at in excess of £30m per annum.

Inspectors clearly acknowledged the significant efforts being made by criminal justice agencies to deal with The Past and suggested a small number of areas for improvement to support their work.

Lead Inspector: Derek Williamson
Published: November 2013

A corporate governance inspection of the Northern Ireland Legal Services Commission

An inspection published in November 2013 into the governance of the Northern Ireland Legal Services Commission (NILSC) found that it had struggled with the management of the legal aid budget since it was established in 2003. In the 10 years since the establishment of the NILSC, the annual legal aid bill had more than doubled to £94.5m. The NILSC had also failed to remain within budget for the last three financial years.

Inspectors reported that the NILSC had no control over the granting of criminal legal aid and only limited control over the eventual granting of civil legal aid. Part of the problem had been the shortcomings in the effectiveness and efficiency of the NILSC. A succession of reports in recent years had been critical of its management, and the DOJ had plans to change it to an executive agency. Inspectors were supportive of that move and confirmed that there was more to be done to improve legal aid administration and regain control of the budget.

Inspectors found that systems were over-complicated and managed inefficiently, with little use of modern technology. Half of all applications from solicitors were returned to them because the forms were not completed properly and frequent challenges were made to funding decisions because the criteria are not clearly set out.

The inspection found that the NILSC operating in its present format, with current legislative restrictions, an increasing focus on the cost of legal aid and little real control over the granting of legal aid, was unable to meet the expectations of oversight bodies, including elected representatives.

One major strategic recommendation was made and five areas for improvement caveated upon the strategic recommendation being accomplished. However, Inspectors overall

conclusion was that the current legal aid arrangements in Northern Ireland are not fit for purpose and are in need of radical reform.

Lead Inspector: William Priestley
Published: November 2013

The relationship between the Police Service of Northern Ireland and the Office of the Police Ombudsman for Northern Ireland

CJI published an inspection report in December 2013 on the relationship between the Office of the Police Ombudsman for Northern Ireland (OPONI) and the PSNI. The inspection followed concerns around the level of co-operation between the PSNI and the OPONI when sensitive information was required to be provided during the course of investigations into complaints about the police.

Inspectors found that the PSNI were co-operating with the OPONI when required to provide sensitive information for the purpose of investigation.

Revised structures within the OPONI had strengthened its ability to handle and store sensitive material correctly and provided assurance to the PSNI as to how sensitive material was being handled.

Inspectors found there were well-defined processes in place regarding the interactions between the PSNI and the OPONI. The recent establishment of a policy evaluation group involving senior officials from the PSNI, the OPONI and the Northern Ireland Policing Board, had the potential to improve the development, categorisation and achievement of policy recommendations as well as evaluating the effectiveness of their implementation by the PSNI.

The strategic oversight of processes and procedures governing the inter-organisational relationship is provided by a number of protocol documents. Whilst at the time of

fieldwork a revised memorandum of understanding on the sharing of sensitive information was not in place, this was subsequently agreed and implemented. The measure of its effectiveness will be whether its deployment satisfies each organisation's obligations and delivers a productive and professional working relationship.

The report identified six areas where further improvement could be made.

Lead Inspector: William Priestley
Published: December 2013

Monitoring of progress on the implementation of the Youth Justice Review recommendations

During the course of the financial year CJI published its first report in response to a ministerial request to provide oversight of the implementation of the recommendations contained within the Youth Justice Review.

The inspection process was devised to provide two reports; an interim report, to determine how the multiple agencies involved had addressed the recommendations and provide a progress report; and a final report which will provide an independent determination on whether the recommendations have been achieved.

The interim inspection report highlighted the need for greater commitment, ambition and creativity to be applied if the DOJ's plans to implement 90% of the recommendations of the Youth Justice Review are to be met in 2014.

The interim report found varying degrees of progress in relation to the 45 recommendations and sub recommendations accepted by the DOJ. A total of 9% of sub recommendations were found to be achieved with a further 31% showing substantial progress.

Of the remaining 50%, Inspectors found 12% of sub recommendations showed no progress with the remaining 38% indicating only limited progress. Significant progress is required for the

second (final) report, to reflect the desired levels of implementation within the DOJ timescales.

Work on the final report on oversight of implementation of the Youth Justice Review recommendations will commence during the 2014-15 financial year.

Lead Inspector: David MacAnulty
Published: December 2013

Forensic Science Northern Ireland

The CJI inspection report on Forensic Science Northern Ireland (FSNI) was published in February 2014. Inspectors were assured, from external accreditation and feedback from FSNI customers and users, that the quality of the science has been good.

One of the main challenges for FSNI is to better align its services to the needs of the criminal justice system and particularly the PSNI as its main customer. Reducing avoidable delay, increasing crime detections and delivering additional cost savings are key priorities across the justice system. This will require a better management of demand from customers, which should be led by the PSNI, and also a corresponding increase in productivity and capacity from FSNI.

The report affirms a key recommendation of the previous inspection (published in 2009) that a criminal justice strategy for forensic services should be developed, which incorporates the objectives and targets of the wider justice system from crime scene to court.

Strengthened collaborative partnerships with forensic services in Scotland and the Republic of Ireland should be prioritised as a means of improving the science as well as improving service delivery.

CJI has welcomed the decision to move ahead with the new accommodation project, which has the potential to increase service delivery, particularly in new DNA technology, as well as support the ongoing transformation programme.

A proportion of efficiency savings should be invested in research and development.

Lead Inspector: James Corrigan
Published: February 2014

During the financial year Dr Ian Cameron provided reports to the Minister of Justice on the ongoing work to implement the recommendations of the Prison Review Team.

Full copies of all CJI inspection reports can be found in the 'The Inspections' page on the CJI website – www.cjini.org.

ACTION PLAN REVIEWS/ INSPECTION FOLLOW-UP REVIEWS

The Probation Board for Northern Ireland's Community Service Scheme

This review, which was published in May 2013, found there had been significant growth in the use of Community Service, and the hours worked had increased to almost 250,000, providing value of over £1.5m when calculated against the National Minimum Wage.

The community service workload comprised around 20% of the overall PBNI statutory caseload. It represented a tangible investment by the Probation Board in delivering suitable alternatives to custody, and the Community Service Scheme has potential to deflect many more people from custody when they do not pay fines.

Eight of the original CJI inspection recommendations had been achieved, six partially achieved and one was beyond the Probation Board's control. Most significantly they had tangibly improved the Community Service Scheme's effectiveness, once again reinforcing CJI's view that the Probation Board take their work seriously, and strived to continue to improve the co-operation of offenders, and in doing so, make us all more safe.

Lead Inspector: Tom McGonigle
Published: May 2013

Sexual Violence and Abuse: A follow-up review of inspection recommendations

Improvements in the working relationship between the PSNI and the PPS were highlighted in a CJI follow-up review into how the criminal justice system works to address sexual violence and abuse.

Seven of the original inspection recommendations were assessed as achieved with a further three found to be partially achieved and two not achieved.

The review noted the importance of the issue had increased with recognition of sexual violence and abuse included in the Northern Ireland Executive Programme for Government 2011-15 and the opening of a Sexual Assault Referral Centre to provide 24-hour care and support to victims/survivors and their families.

Improved communication between specialist prosecutors and police officers working in rape crime and child abuse investigation units was also welcomed. The introduction of more streamlined contact management arrangements within the PSNI increased the likelihood that an individual seeking to report an incident of sexual violence or abuse, was more likely to have their call forwarded appropriately.

The review welcomed the establishment of a Service Level Agreement between the PSNI and the PPS governing how rape and serious sexual offences were investigated and prosecuted and how victims should be updated.

Focus on establishing the reasons behind why cases dropped out of the criminal justice process and the majority of rape cases were directed for no prosecution, also should be maintained.

Lead Inspector: Rachel Lindsay
Published: October 2013

A follow-up review of Domestic Violence and Abuse inspection recommendations

A follow-up review of CJI's 2010 domestic violence and abuse inspection was published during 2013-14.

The review found the level of domestic abuse cases being recorded by police had increased and welcomed the fact that more people were coming forward and reporting instances of domestic violence and abuse.

CJI reiterated the need for a consistent approach to be adopted around how police officers responded and dealt with domestic violence and abuse incidents. Inspectors also urged the PSNI to apply greater strategic focus and leadership to ensuring outstanding recommendations were addressed.

The review welcomed the work ongoing between the PSNI and the PPS to identify why domestic violence and abuse cases continue to drop out of the criminal justice process and why some cases did not meet the Test for Prosecution.

The co-location of Women's Aid workers with Public Protection Units was also found to have had a positive impact and delivered beneficial outcomes for high risk victims of domestic violence and abuse.

Inspectors expressed the hope that the establishment of Victim and Witness Care Units would help improve victims' experience by ensuring they were adequately supported and placed at the centre of the criminal justice process.

CJI indicated it would return to this topic by way of a full inspection in 2015.

Lead Inspector: Rachel Lindsay
Published: October 2013

Corporate Governance of the Parole Commissioners for Northern Ireland: A follow-up review of inspection recommendations

The Parole Commissioners for Northern Ireland have increased performance, efficiency and service delivery following the implementation of a series of independent inspection recommendations. The review of progress against recommendations found five recommendations were fully implemented with substantial progress on completing the remaining two.

A major change placing the Parole Commissioners under the Northern Ireland Courts and Tribunals Service (NICTS) in order to provide administrative, financial and business services in support of the work of the Commissioners was by and large, successful.

Performance within the organisation had improved within the last two years and compared favourably with other jurisdictions. This was due to increased casework bringing down the individual cost per case of referrals, reductions in money spent on non-case work, and improvements in the management of expenditure.

Inspectors suggested that teething problems with the transfer to the NICTS could be mitigated through the introduction of an agreed memorandum of understanding between the NICTS and the Parole Commissioners.

Inspectors made one strategic recommendation that the DOJ should consider scheduling the Parole Commissioners as non-Crown judicial appointments to provide a guarantee of independence with public accountability requirements being met through oversight by the Office of the Lord Chief Justice.

Lead Inspector: Stephen Dolan
Published: March 2014

A follow-up review of the management of Jurors inspection recommendations

CJI published its follow-up review into the management of Jurors by the Northern Ireland Courts and Tribunals Service (NICTS) in March 2014.

The review found that five of the eight recommendations made in 2010 had been achieved, with a further two recommendations partially achieved. One further recommendation was assessed as no longer relevant.

Inspectors reported that the NICTS were monitoring the number of juror notices and summonses issued and had exceeded its 'not used' target of 15% between September 2011-12. As a result, the NICTS was considering reducing the 'not used' target to a more stretching 12% to further increase the percentage of jurors called who go on to sit in trials.

The practice of splitting the jury panel had been assessed and proposed to the Lord Chief Justice's office and Inspectors encourage the developments under way to extend the practice across the jurisdiction.

Inspectors welcomed the work undertaken by the NICTS to ensure that citizens called upon to serve as jurors were respected, utilised effectively, and that access to courts for people with a range of disabilities had been improved.

Lead Inspector: William Priestley
Published: March 2014

Securing attendance at Court: A follow-up review of inspection recommendations

In June 2011 CJI published an inspection into the attendance at court of the various parties to a criminal case. The report found that the attendance of witnesses is vital for the effective and efficient operation of the courts, and made six recommendations.

This report was the subject of a follow-up review published during this financial year.

It was found that three of the six recommendations had been achieved and three partially achieved. Inspectors noted there had been reasonably good progress against the specific recommendations. However, some areas of concern remained including the absence of reliable data supporting greater understanding of the reasons why court cases do not proceed. These cases are referred to as 'cracked' and 'ineffective' trials. The conclusion was that this issue should remain a priority as it was an important strand in reducing avoidable delay.

Finally, the relatively recent implementation of the Victims and Witness Care Units was noted as being of fundamental importance to the delivery of all witness attendance and satisfaction.

Lead Inspector: Derek Williamson
Published: March 2014

Full copies of all CJI Action Plan Reviews/Inspection Follow-up Reviews can be found via the 'The Inspections' page on the CJI website – www.cjini.org.

Audited Information Remuneration Report

Remuneration Policy

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

Other directly recruited staff employed by CJI are remunerated largely in line with NICS pay agreements and the CJI pay strategy approved by the Department of Finance and Personnel in spring 2012.

Service Contracts

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

The current Chief Inspector was appointed by the Minister of Justice in November 2012 for an initial period of three years. The Deputy Chief Inspector and other members of staff hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the most senior employees:

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

The following sections provide details of the remuneration and pension entitlements of the Accounting Officer/Chief Executive and members of the Senior Management Team and Board.

	2013-14					2012-13				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits **** (£'000)	Total (£'000)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits **** (£'000)	Total (£'000)
Dr M Maguire, Chief Inspector (01 April 2012-15 July 2012)*	-	-	-	-	-	30-35 (110-115 full year equivalent)	-	-	-	-
Mr B McGuigan, Deputy Chief Inspector (01 April 2012-15 July 2012), Acting Chief Inspector (16 July 2012 - 29 November 2012) and Chief Inspector (30 November 2012 onwards) **	100-105	-	-	74	175-180	80-85 (100-105 full year equivalent)	-	62	140-145	
Mr J Corrigan Acting Deputy Chief Inspector & Chief Executive (03 September 2012 - 28 August 2013) and Deputy Chief Inspector & Chief Executive (29 August 2013 onwards)***	60-65	-	-	31	90-95	30-35 (55-60 full year equivalent)	-	20	50-55	
Band of Highest paid Director's Total Remunerations	£100k - £105k					£100k - £105k				
Median Total Remuneration	45,552					46,364				
Ratio	2.3					2.2				

* Please note: No comparative figures for 2012-13 are available for staff members who are no longer employed with the organisation.

** The Deputy Chief Inspector was appointed as Acting Chief Inspector following the resignation of the previous Chief Inspector on 15 July 2012. The Acting Chief Inspector remained in post from 16 July 2012 until they were permanently appointed as Chief Inspector from 30 November 2012.

*** The position of Deputy Chief Inspector was vacant between 16 July 2012 and 02 September 2012. The Acting Deputy Chief Inspector was appointed with effect from 03 September 2012. The post was substantively filled following an open recruitment competition on 29 August 2013.

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

Salary

This presentation is based on gross salary payments made by CJL 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 benefits in kind were paid during the financial year (2012-13: £Nil).

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses reported in 2013-14 relating to performance in 2013-14 or comparative bonuses reported for 2012-13 relating to performance in 2012-13.

Northern Ireland Civil Service (NICS)

Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service Pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007, may be in one of three statutory based 'final salary' defined benefit arrangements (**classic**, **premium**, or **classic plus**). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under **classic**, **premium**, and **classic plus** are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of **premium** or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (**partnership** pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the **nuvos** arrangement or they can opt for a

Pension Entitlements (audited information)

Name	Accrued pension at pension age as at 31/03/14 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/14	CETV at 31/03/13	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr M Maguire (1 April 2012-15 July 2012)	-	-	-	149*****	-	-
Mr B McGuigan	15-20	2.5-5	330	249	71	-
Mr J Corrigan	5-10	0-2.5	87	55	15	-

***** The CETV information for 2013 reflects the pension entitlement as at 15 July 2012 and incorporates pension values accrued with both the PCSPS and PCSPS(NI). The PCSPS pension value (£112K) was in the process of being transferred to PCSPS(NI) however this transfer had not been completed as at 15 July 2012 and the value has not been reassessed from the assessed value as at 31 March 2012.

partnership pension account. **Nuvos** is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2013, public service pensions will be increased by 2.7 % for pensions which began before 8 April 2013. Pensions which began after 8 April 2013 will be increased proportionately.

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

Members of **classic**:

Annual pensionable earnings (full-time equivalent basis)	New 2014 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	3.00%
£21,001-£30,000	4.48%
£30,001-£50,000	5.27%
£50,001-£60,000	6.06%
Over £60,000	6.85%

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

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

Benefits in **classic** accrue at the rate of 1/80th of pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each

year of service. Unlike **classic**, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). **Classic plus** is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per **classic**.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic, premium** and **classic plus** and 65 for members of **nuvos**. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the

pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Details of pensions within Accounting Policies can be located at paragraph 1(b) of Note 1 to the Accounts (see page 51).

Bonuses/Compensation for loss of office

No bonuses were paid in 2013-14 (2012-13: £Nil). No compensation for loss of office was paid during 2013-14 (2012-13: £Nil).



JAMES CORRIGAN

Chief Executive and Accounting Officer

5 June 2014

Statement of the Chief Inspector of Criminal Justice's and Chief Executive's Responsibilities

Under paragraph 6 of Schedule 8 to the Justice (Northern Ireland) Act 2002 (as amended), the Chief Inspector is required to prepare a statement of accounts for each financial year in respect of the Office of the Chief Inspector of Criminal Justice, in the form and on the basis directed by the Minister of Justice. The accounts are to be prepared on an accruals basis and must give a true and fair view of the Office of the Chief Inspector of Criminal Justice's state of affairs at the year-end and of its operating costs, changes in Taxpayer's Equity and cash flows for the financial year.

In preparing the accounts the Chief Inspector of Criminal Justice is required to:

- observe the accounts direction issued by the Minister of Justice, 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 have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer of the Department of Justice has appointed the Chief Executive as Accounting Officer for the Office of the Chief Inspector of Criminal Justice. His relevant responsibilities as Accounting Officer, including his responsibility for propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Body Accounting Officers Memorandum issued by the Treasury and published in Managing Public Money Northern Ireland.



JAMES CORRIGAN

Chief Executive and Accounting Officer

5 June 2014

Governance Statement

GOVERNANCE FRAMEWORK

Scope of Responsibility

Criminal Justice Inspection Northern Ireland (CJI) is an Arms Length Body (classified as an Executive Non-Departmental Public Body) of the Department of Justice for Northern Ireland (DOJ) established under the Justice (Northern Ireland) Act 2002 as amended. The organisation is led by the Chief Inspector of Criminal Justice. The Chief Inspector is a public appointee appointed by the Minister of Justice and operates as a corporation sole.

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

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

CJI complies with the Treasury Corporate Code of Governance and specifically complies with the

principles governing the relationships between departments and their arms length bodies. To this end, a Management Statement and Financial Memorandum govern *inter alia* the relationship between the DOJ and CJI with particular emphasis on:

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

The Role of the Senior Management Team (SMT)

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

Setting Direction

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

Approval

- Corporate and Business Plans;
- Annual Budget and programme expenditure; pay remits;
- Capital Expenditure; and
- Change Programmes.

Oversight and Control

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

Stakeholder relationships

- External communications, the Annual Report, *the Spec* (CJI's newsletter), press releases; and
- Engagement with inspected organisations.

The SMT (Board) of CJI receives twice monthly management reports including updates on the inspection programme, current and capital expenditure and reports on specific projects, such as ICT development and progress on the new accommodation project. The acceptability of the information provided to the SMT (Board) of CJI has been endorsed by the Chief Inspector of CJI. The Chief Inspector in turn gains his assurance on financial data from the DOJ FSD representative and their compliance with the CJI/FSD Service Level Agreement. The inspection programme information is validated by the Chief Executive who has line management responsibility for all Inspectors

and oversees the delivery of the inspection programme.

Risk Management and Internal Control

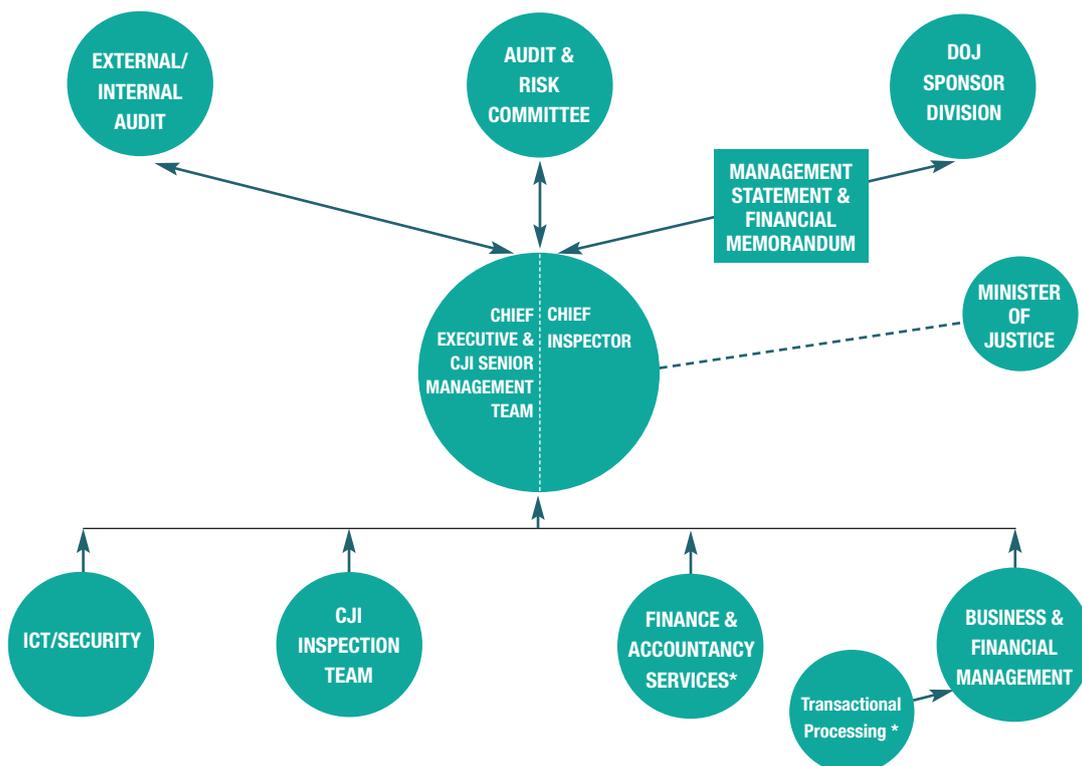
The SMT is responsible for CJI's system of internal controls and risk management and for reviewing the effectiveness of these systems.

Key features are:

- a Risk Register identifying CJI's key risks and the means to manage and mitigate them;
- a well established system of financial and business controls, the operation of which are regularly reported to the Audit and Risk Committee and the Chief Executive;
- regular assessments of internal controls by CJI's Internal Audit service; and
- the review of the effectiveness of the internal control processes by the Audit and Risk Committee on behalf of the SMT.

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

Diagram showing CJI accountability arrangements



* Services provided via a Service Level Agreement with Financial Services Division, Department of Justice.

The outcome of these reviews are reported to the Audit and Risk Committee. The SMT has reviewed the CJI risk appetite and uses five categories of risk with assessments of the risk appetite:

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

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

Risk Assessment

A number of risks were re-evaluated during the year and the Risk Register was updated to reflect the highest priority risks to CJI. The most significant risks to the organisation identified in year were the danger of the loss of key staff and associated knowledge/skills; the need to manage in-year financial pressures; and the failure of CJI to secure accommodation to meet future business needs in a timely manner. CJI has mitigated these risks by securing consultancy support to assist the organisation in the preparation of a robust business case to meet future accommodation needs and close liaison with its sponsor division within the DOJ to progress this matter. It has mitigated the danger of the loss of key staff by reviewing the timing of the inspection programme; adopting a risk

based approach to the allocation of external support for inspection work; and increased cross skilling within the Business Support Team. CJI also worked closely with its sponsor division within the DOJ to ensure a clear understanding of the potential impact on CJI's core business of in-year financial pressures and budget reductions.

Audit and Risk Committee

The CJI Audit and Risk Committee has formally agreed Terms of Reference, reviewed on an annual basis. The Audit and Risk Committee comprises two independent non-executive members, who are supported by the Business and Communications Manager, and a nominated CJI Inspector. The Chief Inspector, the Accounting Officer, (Deputy Chief Inspector), a representative from DOJ sponsor division, representatives of the NIAO/KPMG (External Audit), DOJ Internal Audit, and FSD (financial services provider to CJI) also attended during 2013-14.

Attendance during 2013-14

	No of Meetings Held in year	No of Meetings Attended
CJI Audit and Risk Committee Members		
Dr WG McCarney (non executive Chairman)	4	4
EA Simpson (non executive member)	4	4
CJI Audit and Risk Committee Attendees		
B McGuigan (Chief Inspector)	4	2
J Corrigan (Chief Executive & Accounting Officer)	4	4
M McVeigh (Business and Communications Manager)	4	3
S Dolan (CJI Inspector)	4	4
B Irvine (FSD, DOJ)	4	4
W Jeffrey/W Stevenson (DOJ Sponsor Division)	4	4
F Magowan (External Audit)	4	4
KPMG Representative (External Audit)	4	3
D Anderson/AN Other representative (DOJ Internal Audit)	4	4
P Poots (ASM Internal Audit)	4	1*
P Bean Mhic Artáin (Audit and Risk Committee Secretary)	4	4

* The ASM representative attended one meeting during 2013-14 to conclude their role as CJI's Internal Auditor for the year 2012-13.

The Audit and Risk Committee has access to all internal audit reports, external reviews, risk register, and management reports. Standing agenda items at each of the four meetings include: progress of management responses and actions against assurance reviews (internal and external); adequacy of response to the Risk Register; reports on fraud and whistleblowing; direct award contracts; chief officers' expenses; and gifts and hospitality. The Audit and Risk Committee considers and approves before submission to the DOJ, the Governance Statement and the Annual Report and Accounts of CJI. It undertakes an annual self-assessment of performance which is presented to the Audit and Risk Committee with recommendations for development made to CJI's SMT. The chairperson of the CJI Audit and Risk Committee also provides an annual report on the Committee's activities and performance for inclusion within the CJI Annual Report and Accounts.

Internal Audit

The CJI Internal Auditor provides a report on internal audit activity each year. The Internal Auditor carried out an audit of CJI's systems (financial procedures; corporate governance; and human resources) in December 2013. The annual assurance report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of CJI's system of internal control with recommendations for improvement.

Core Business Risks

All CJI inspections include a formal risk assessment with mitigating plans in place and responsibility for delivery clearly assigned. Risk policies and processes are supported and maintained by the Business and Communications Manager who is responsible for advising on corporate risk management and the escalation of risks from the risk and control framework to the SMT and, if relevant, to the DOJ.

This system of internal control has been in place in CJI for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Accounts. It accords with Department of Finance and Personnel (DFP) guidance relating to corporate governance and management of risk.

Shared Services

Following devolution in April 2010, CJI's Payroll and HR transactional support functions have been provided via DOJ HR Support and the NICS HRConnect service. Finance transactional support functions have been provided by FSD via the NICS Account NI shared service system with internal control exercised by the Department since July 2012. CJI's budget and financial reporting services have also been provided by FSD since November 2012.

The control responsibility and internal audit processes for those internal elements of the transaction streams that remain within CJI rest with the CJI Accounting Officer. These include, validation of expenditure requests, compliance within delegated limits and segregation of duties and adherence to the CJI Financial Procedures Manual. The Deputy Director, Finance (DOJ) and the Accounting Officer, CJI have individual responsibility to ensure that the two sets of controls provide an environment of overall appropriate control for their respective organisation/business area. These controls are incorporated into the Service Level Agreement governing the delivery of the service.

Throughout the year CJI has continued to ensure that its own controls and processes are operating effectively, with manual checking of data integrity and accuracy where necessary, specifically in the area of travel and subsistence monitoring and approval which lies with the CJI Accounting Officer. Any changes to CJI processes are managed within the ISO 9001:2008 quality management system to ensure that objectives are still delivered and the control implications assessed, agreed and managed.

Value For Money

All proposed business changes are examined through the preparation of an appropriate and proportionate business case. If appropriate, benefits realisation plans and monitoring are built into all such developments and direct periodic reporting to the SMT for corporate projects. All procurement and contract management complies with UK and/or EU procurement regulations to ensure full and fair competition amongst prospective suppliers of goods and services. All procurement and contract management activities are managed in line with the Cabinet Office transparency guidelines and approvals processes, with supplier engagement compliant with EU, UK Government and DFP procurement guidelines. CJI attends and is a member of the DOJ Procurement Forum.

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

Information Security

CJI's Information Security is managed by CJI's IT and Security Manager. Staff awareness of Information Assurance/Security is supported by the ISO 9001:2008 certified Quality Management System, which gives staff full access to all relevant and current security policies and guidance.

Information Assurance within CJI is further supported by CJI's IT and Security Manager, the DOJ Information Security Forum and Security Branch. HM Government mandatory requirements are supported by the completion of Information Assurance quarterly returns and the Security Risk Management Overview Annual Return.

Review of Effectiveness

- The SMT assesses achievement of the CJI Business Plan objectives and targets on a continuous basis. The outcome of this continuous assessment is used to inform the development of the Corporate and Business Plan(s) for the succeeding period.
- At the monthly SMT meetings the review of CJI financial reports indicated potential variances from budget that were satisfactorily explained.
- CJI met all key objectives such as conducting a series of inspections and follow-up reviews within its legislative remit and making the findings of its work publicly available; securing the acceptance of 90% of strategic and operational recommendations by the inspected organisation(s); maintaining a sound system of financial control; signing new protocols with core criminal justice organisations; and obtaining re-certification for its quality management system within the financial year as outlined in its 2013-14 Business Plan. CJI also continued its work linked to the implementation of recommendations associated with the work of the Prisons Review Team and Youth Justice Review.
- Annual Internal Audit reviews were conducted by the independent DOJ Internal Auditor to test the adequacy and effectiveness of systems of internal control as defined in the Public Sector Internal Audit Standards (PSIAS). CJI attained a substantial level of assurance in the Head of Internal Audit's Annual Report and Opinion report.
- The Audit and Risk Committee annual report gave CJI a clean bill of health.
- There were no significant lapses in security in year.
- CJI received an annual assurance statement from FSD providing information on the FSD internal controls governing risk and control monitoring activities, and other relevant reporting processes and assurances provided by DOJ Internal Audit and other relevant sources of assurance.

- CJI successfully retained certification to ISO 9001:2008 following an audit by independent assessors. ISO 9001:2008 is a continuous improvement regime that maintains the standards for all CJI processes.

Conflicts of interest

All CJI staff members are required to complete an annual declaration of potential personal or business interests. This information is used to identify where potential conflicts of interest may apply. Should this information change in year, CJI staff members are required to inform the Chief Executive and update their declaration of interests accordingly. This register of interests is available for public inspection.

Members and attendees at the CJI Audit and Risk Committee are also required to complete annual declaration of interest disclosure forms and to disclose any potential conflicts of personal or business interest at the start of each Audit and Risk Committee meeting. Where a conflict arises, the member/attendee is required to absent themselves from the subsequent discussion.

Significant internal control issues

CJI achieved a substantial assurance level from Internal Audit and there were no significant internal control issues. No Ministerial directions were given during 2013-14.



JAMES CORRIGAN

Chief Executive and Accounting Officer

5 June 2014

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of Criminal Justice Inspection Northern Ireland for the year ended 31 March 2014 under the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice functions) Order 2010. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Inspector of Criminal Justice, the Chief Executive and auditor

As explained more fully in the Statement of Chief Inspector of Criminal Justice's and Chief Executive's Responsibilities, the Chief Inspector of Criminal Justice and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice functions) Order 2010. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Criminal Justice Inspection Northern Ireland 's affairs as at 31 March 2014 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice functions) Order 2010 and Department of Justice directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice functions) Order 2010 and Department of Justice Directions issued thereunder.
- the information given in the Chief Inspector's Report, Strategic Report and the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



KJ DONNELLY

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

26 June 2014

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

	Note	2013-14 £	2012-13 £
Expenditure			
Staff costs	3	852,482	895,224
Depreciation and amortisation	5	81,656	81,531
Other expenditures	5	354,463	481,698
		<u>1,288,601</u>	<u>1,458,453</u>
Income			
Other Income	6	(14)	(1,000)
Net Expenditure		<u>1,288,587</u>	<u>1,457,453</u>
Other Comprehensive Expenditure			
Net gain on revaluation of property, plant and equipment	8	(14)	(3,244)
Net gain on revaluation of intangible assets	9	(83)	(222)
Total Comprehensive Expenditure for the year 31 March 2014		<u><u>1,288,490</u></u>	<u><u>1,453,987</u></u>

The notes on pages 51 to 66 form part of these accounts.

Statement of Financial Position as at 31 March 2014

	Note	£	2014 £	£	2013 £
Non-current assets:					
Property, plant and equipment	8	64,232		111,106	
Intangible assets	9	3,761		9,785	
Total non-current assets			67,993		120,891
Current assets:					
Trade and other receivables	11	15,568		19,858	
Cash and cash equivalents	12	558		20,075	
Total current assets			16,126		39,933
Total assets			84,119		160,824
Current liabilities					
Trade and other payables	13	(175,422)		(270,637)	
Total current liabilities			(175,422)		(270,637)
Assets less liabilities			(91,303)		(109,813)
Taxpayers' equity					
Revaluation reserve			4,871		18,960
General reserve			(96,174)		(128,773)
			(91,303)		(109,813)

The financial statements on pages 47 to 66 were approved by the board on 5 June 2014 and were signed on its behalf by:



James Corrigan
Chief Executive and Accounting Officer
 5 June 2014

The notes on pages 51 to 66 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2014

	Note	2013-14 £	2012-13 £
Cash flows from operating activities			
Net expenditure for the year		(1,288,587)	(1,457,453)
Adjustment for non-cash transactions	5	83,516	80,758
(Increase)/decrease in trade and other receivables		4,290	(779)
Increase/(decrease) in trade and other payables		(95,215)	89,374
Net cash outflow from operating activities		(1,295,996)	(1,288,100)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(31,328)	(1,339)
Purchase of intangible assets	9	-	(1,586)
Proceeds of disposal of property, plant and equipment		807	-
Net cash outflow from investing activities		(30,521)	(2,925)
Cash flows from financing activities			
Grant-in-aid from parent department	7	1,307,000	1,080,000
Net financing		1,307,000	1,080,000
Net (decrease)/increase in cash and cash equivalents in the period		(19,517)	(211,025)
Cash and cash equivalents at the beginning of the period	12	20,075	231,100
Cash and cash equivalents at the end of the period	12	558	20,075

The notes on pages 51 to 66 form part of these accounts.

Statement of Changes in Taxpayers' Equity for year ended 31 March 2014

	Note	General Revaluation Reserve £	Revaluation Reserve £	Total Reserve £
Balance at 31 March 2012		235,652	28,522	264,174
Changes in taxpayers' equity 2012-13				
Net gain on revaluation of property, plant and equipment		-	3,244	3,244
Net gain on revaluation of intangible assets			222	222
Transfers between reserves		13,028	(13,028)	-
Comprehensive Expenditure for the year		(1,457,453)	-	(1,457,453)
		(1,444,425)	(9,562)	(1,453,987)
Grant from parent department	7	1,080,000	-	1,080,000
Balance at 31 March 2013		(128,773)	18,960	(109,813)
Changes in taxpayers' equity for 2013-14				
Net gain on revaluation of property, plant and equipment		-	14	14
Net gain on revaluation of intangible assets			83	83
Transfers between reserves		14,186	(14,186)	-
Comprehensive Expenditure for the year		(1,288,587)	-	(1,288,587)
		(1,274,401)	(14,089)	(1,288,490)
Grant from parent department	7	1,307,000	-	1,307,000
Balance at 31 March 2014		(96,174)	4,871	(91,303)

The notes on pages 51 to 66 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

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

a) Accounting convention

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

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

b) Pensions

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

c) Staff costs

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

d) Operating leases

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

e) Grant-in-aid

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

f) Property, plant and equipment

Expenditure on property, plant and equipment is capitalised if it is intended for use on a continuous basis. Property, plant and equipment is valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics. Any gain on revaluation is credited to the Statement of Comprehensive Net Expenditure to the extent that it

reverses a revaluation loss on the same asset previously recognised in that Account. Other gains are credited to the Revaluation Reserve. Losses arising on revaluation are taken to the Revaluation Reserve unless they exceed previous revaluation gains in which case they are taken to the Statement of Comprehensive Net Expenditure.

g) Depreciation

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

Office Refurbishment	-	ten years
Computer Equipment	-	five years
Furniture and Office Equipment	-	up to fifteen years

The Office Refurbishment life is set to correlate with the lease on the premises.

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

h) Realised Element of Depreciation from Revaluation Reserve

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

i) Intangible assets

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

Software licenses are amortised on a straight line basis over their estimated useful lives of five years.

j) Value added tax

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

k) Corporation Tax

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

l) Revaluation reserve

The revaluation reserve reflects the unrealised balance of the cumulative indexation revaluation adjustments to non current assets.

m) Financial instruments**1) Recognition and De-recognition of Financial Assets and Financial Liabilities**

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

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

2) Financial assets**Cash and cash equivalents**

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

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.

n) Critical accounting estimates and key judgements

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

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

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

o) Accounting standards, interpretations and amendments to published standards and FReM – issued and effective in 2013-14 for the first time

Standard	Comments
<p>IAS 1 - <i>Presentation of financial statements (Other Comprehensive Income (OCI))</i> (amendment)</p>	<p>Requires items of OCI to be grouped on the basis of whether they might at some point be reclassified ('recycled') from OCI to profit (e.g. cash flow hedges) or where they will not (e.g. gains on property revaluation). This will make it clearer to users what their potential effect on profit or loss will be in future periods, notably in light of improved disclosure of financial instruments and pensions, and where there will be no impact.</p> <p>Amendments also allow simplified reporting for discontinued operations and OCI tax grouping.</p> <p>The <i>FReM</i> application of the IAS 1 amendments interpreted for terminology and adapted for the public sector context is effective from 1 April 2013. This requires a single Statement of Comprehensive Net Expenditure rather than separate Other Comprehensive Expenditure, unless agreed by the Relevant Authority.</p>
<p>IAS 16 - <i>Property, Plant and Equipment</i> (amendment)</p>	<p>Classification of servicing equipment including items such as spare parts, stand-by equipment and servicing equipment are recognised under IAS 16 when they meet the definition of property, plant or equipment. They are otherwise classified as inventory under IAS 2 <i>Inventories</i>.</p> <p>The <i>FReM</i> applies this change in full.</p>
<p>IAS 19 - <i>Post employment benefits (pensions)</i> (amendment)</p>	<p>The amended IAS 19 introduces a number of changes including:</p> <p>Recognition - the elimination of the option to defer the recognition of gains and losses resulting from defined benefit plans (the 'corridor approach');</p> <p>Presentation - the elimination of options for the presentation of gains and losses relating to those plans; and</p> <p>Disclosures - the improvement of disclosure requirements that will better show the characteristics of defined benefit plans and the risks arising from those plans.</p> <p>The corridor approach is not permitted by the <i>FReM</i> so the main impact of the change is not relevant.</p> <p>There is an impact on defined benefit pension scheme accounts and other entities consolidating defined benefit schemes due to the new presentation and disclosure requirements. Entities may also be impacted by modifications to accounting for termination benefits.</p>

CJI has reviewed the remaining standards, interpretations and amendments to published standards and *FReM* that became effective during 2013-14. The adoption of these standards are either not relevant to CJI's operations or have not had a significant impact on its financial position or results.

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

The International Accounting Standards Board (IASB) have issued new and amended standards (IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective from January 2013, with EU adoption from 1 January 2014.

Accounting boundaries for IFRS purposes are currently adapted in the *FReM* so that the Westminster departmental accounting boundary is based on Office of National Statistics control criteria, as designated by Treasury. A review of the Northern Ireland (NI) financial process is currently under discussion with the Executive, which will bring NI departments under the same adaptation. Should this go ahead, the impact on departments is expected to focus around the disclosure requirements under IFRS 12. The impact on the consolidation boundary of NDPBs and trading funds will be subject to review, in particular, where control could be determined to exist due to exposure to variable returns (IFRS 10), and where joint arrangements need reassessing.

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for CJI's accounting periods beginning on or after 1 April 2014 or later periods, but which CJI has not adopted early. Other than as outlined in the below, CJI considers that this standard is not relevant to its operations.

Standard	IFRS 13 - <i>Fair Value Measurement</i> (new)
Description of revision	<p>IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise).</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements. The standard requires fair value be measured using the most reliable data and inputs available to determine the exit price for an asset/liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on.</p> <p>To ensure transparency over the differing quality of inputs used to determine fair value, the standard has established a hierarchy for input quality. Level 1 inputs (highest quality) are published prices available in an active market; Level 2 inputs are observable data available in a non-active market; and Level 3 inputs (lowest quality) are all other inputs, which are mostly unobservable.</p> <p>Entities are required to use the most appropriate inputs available to them in determining fair value. The inference is that the higher the quality, the more appropriate the input.</p> <p>IFRS 13 requires additional disclosures where Level 3 inputs are used to assess fair value, to give readers an understanding.</p>
Effective date	1 January 2013 (EU adopted).
Comments	The application of IFRS 13 is subject to further review by HM Treasury and the other Relevant Authorities following the consultation which took place in 2013.

Financial Reporting - Future Developments

In addition to the changes identified above, there are a number of future developments that will impact upon CJJ including:

Standards	Description of revision	Effective date	Comments
IAS 17 replacement - <i>Leases</i>	The current proposals include the elimination of the current operating lease categorisation for virtually all leases except short-term leases. Instead, assets and liabilities will be recognised on a 'right of use' basis. However, the IASB plans to re-deliberate significant issues associated with the exposure draft.	No target date for IFRS.	HM Treasury has begun an analysis of the revised exposure draft. HM Treasury and the Relevant Authorities will review the implications and follow due process once there is a final standard.
IAS 18 replacement – <i>Revenue Recognition and Liabilities Recognition</i>	Re-issued in November 2011, the Exposure Draft sought to develop a single conceptual model, and general principles, for determining when revenue should be recognised in the financial statements - replacing IAS 18 and IAS 11 <i>Construction Contracts</i> .	Effective no earlier than 1 January 2015 (as per exposure draft).	Although the exposure draft seems relatively straightforward, and potentially applicable in full (as IAS 11 and 18 currently are), there will need to be due process undertaken to consider the impact of the final IFRS once issued.
IFRS 9 - <i>Financial Instruments</i> (new)	The project has three phases addressing classification and measurement, impairments and hedge accounting.	Subject to consultation.	There are likely to be elements of the final proposals that will require further review by HM Treasury and the other Relevant Authorities before due process and consultation. However, this due process cannot commence until a final IFRS has been issued.

CJJ has considered the remaining additional or revised accounting standards and new (or amendments to) interpretations contained within *FReM* 2014-15. CJJ considers that these changes are not relevant to its operations.

2. Statement of Operating Costs by Operating segment

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

3. Staff numbers and related costs

Staff costs comprise:

	2013-14 £	2012-13 £
Permanently employed staff		
Wages and salaries	642,556	659,367
Social security costs	61,381	63,263
Other pension costs	148,545	137,090
Total permanently employed staff costs	<u>852,482</u>	<u>859,720</u>
Other staff		
Temporary staff costs	-	35,504
Total staff costs	<u><u>852,482</u></u>	<u><u>895,224</u></u>

Pension arrangements

The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] is an unfunded multi-employer defined benefit scheme but CJI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2013-14, employers' contributions of £115,323 were payable to the PCSPS(NI) (2012-13 £115,274) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. However HM Treasury has instructed the scheme to cease further work on the March 2010 valuation. A new valuation scheme based on data as at 31 March 2013 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £Nil, 0.8% of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £Nil. Contributions prepaid at that date were £Nil.

No pension contributions were paid in the year (2012-13: £7,677) on behalf of the former Chief Inspector to the Principal Civil Service Pension Scheme (PCSPS) Nuvos pension scheme.

In addition, pension contributions of £26,062 were paid in the year (2012-13: £15,271) on behalf of the current Chief Inspector to the Principal Civil Service Pension Scheme [PCSPS(NI)] Premium pension scheme.

The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The Remuneration Report on page 33 to 37 contains detailed pension information regarding the Management Board.

Average number of persons employed

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

	2013-14	2012-13
Permanently employed staff		
Management	2.00	1.87
Inspectors	6.14	6.84
Administration and support staff	5.00	5.23
Agency/temporary staff	-	0.59
Total	13.14	14.53

4. Reporting of compensation and exit packages for all staff

For 2013-14 no compensation and exit packages had been awarded (2012-13: £Nil).

5. Other Expenditure

	2013-14	2012-13
	£	£
Staff related costs	14,012	19,318
Rentals under operating leases	62,829	93,825
Accommodation costs	93,051	116,884
Office services	60,710	82,319
Contracted out services	5,629	8,357
Professional and consultancy costs	23,688	108,712
Audit and accountancy fees	12,000	11,800
Managed services	70,896	37,500
Consumables, materials and equipment costs	244	346
Other expenditure	9,544	3,410
Non-cash transactions		
Notional costs	-	-
Loss on disposal of property, plant and equipment	1,867	286
Net loss on revaluation	(7)	(1,059)
	354,463	481,698
Other non-cash items		
Depreciation and amortisation	81,656	81,531
Total	436,119	563,229

Summary of Non-Cash items

	2013-14	2012-13
	£	£
Depreciation and amortisation	81,656	81,531
Non-cash transactions	1,860	(773)
Total	83,516	80,758

6. Income

	2013-14	2012-13
	£	£
Other income	14	1,000
Total Income	14	1,000

7. Grant-in-aid

	2013-14	2012-13
	£	£
Grant-in-aid revenue expenditure	1,307,000	1,080,000
Grant-in-aid capital expenditure	-	-
Total Grant-in-aid received	1,307,000	1,080,000

8. Property, plant and equipment

2013-14	Refurbish- ment Costs £	Furniture and Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation					
At 1 April 2013	463,661	38,927	34,578	103,002	640,168
Additions	-	-	-	31,328	31,328
Disposals	-	(6,224)	(4,505)	(5,616)	(16,345)
Revaluation	-	315	26	(502)	(161)
Revaluation released to SOCNE	-	-	-	(10)	(10)
At 31 March 2014	463,661	33,018	30,099	128,202	654,980
Depreciation					
At 1 April 2013	407,034	21,993	33,367	66,668	529,062
Charged in year	56,552	2,457	484	16,042	75,535
Disposals	-	(3,769)	(4,505)	(5,397)	(13,671)
Revaluation	-	199	18	(392)	(175)
Revaluation released to SOCNE	-	-	-	(3)	(3)
At 31 March 2014	463,586	20,880	29,364	76,918	590,748
Carrying amount at 31 March 2014	75	12,138	735	51,284	64,232
Carrying amount at 31 March 2013	56,627	16,934	1,211	36,334	111,106
Asset financing:					
Owned	75	12,138	735	51,284	64,232
Carrying amount at 31 March 2014	75	12,138	735	51,284	64,232

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

8. Property, plant and equipment (continued)

2012-13	Refurbish- ment Costs £	Furniture and Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation					
At 1 April 2012	463,661	38,050	34,553	95,870	632,134
Additions	-	-	-	1,339	1,339
Disposals	-	-	-	(3,046)	(3,046)
Revaluation	-	875	25	6,487	7,387
Revaluation released to SOCNE	-	2	-	2,352	2,354
At 31 March 2013	463,661	38,927	34,578	103,002	640,168
Depreciation					
At 1 April 2012	350,481	18,953	31,204	49,730	450,368
Charged in year	56,553	2,545	2,150	14,744	75,992
Disposals	-	-	-	(2,760)	(2,760)
Revaluation	-	494	13	3,636	4,143
Revaluation released to SOCNE	-	1	-	1,318	1,319
At 31 March 2013	407,034	21,993	33,367	66,668	529,062
Carrying amount at 31 March 2013	56,627	16,934	1,211	36,334	111,106
Carrying amount at 31 March 2012	113,180	19,097	3,349	46,140	181,766
Asset financing:					
Owned	56,627	16,934	1,211	36,334	111,106
Carrying amount at 31 March 2013	56,627	16,934	1,211	36,334	111,106

9. Intangible assets

Intangible assets comprise software licenses and the associated implementation costs purchased.

2013-14	Total £
Cost or valuation	
At 1 April 2013	45,863
Additions	-
Disposals	-
Revaluation	444
Revaluation released to SOCNE	37
At 31 March 2014	46,344
Amortisation	
At 1 April 2013	36,078
Charged in year	6,121
Disposals	-
Revaluation	361
Revaluation released to SOCNE	23
At 31 March 2014	42,583
Net book value at 31 March 2014	3,761
Net book value at 31 March 2013	9,785
Asset financing:	
Owned	3,761
At 31 March 2014	3,761

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

9. Intangible assets (continued)

2012-13	Total £
Cost or valuation	
At 1 April 2012	45,789
Additions	1,586
Disposals	(2,337)
Revaluation	744
Revaluation released to SOCNE	81
At 31 March 2013	45,863
Amortisation	
At 1 April 2012	32,297
Charged in year	5,539
Disposals	(2,337)
Revaluation	522
Revaluation released to SOCNE	57
At 31 March 2013	36,078
Net book value at 31 March 2013	9,785
Net book value at 31 March 2012	13,492
Asset financing:	
Owned	9,785
At 31 March 2013	9,785

10. Financial instruments

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

11. Trade receivables and other current assets

	2013-14 £	2012-13 £
Amounts falling due within one year		
Prepayments and accrued income	15,568	19,858
Total	15,568	19,858

Intra-Government receivables balances

	2013-14 £	2012-13 £
Amounts falling due within one year		
Balances with other central government bodies	-	-
Balances with bodies external to government	15,568	19,858
Total	15,568	19,858

12. Cash and cash equivalents

	2013-14 £	2012-13 £
Balance at 1 April	20,075	231,100
Net change in cash and cash equivalent balances	(19,517)	(211,025)
Balance at 31 March	558	20,075
The following balances at 31 March were held at:		
Commercial banks and cash in hand	558	20,075
Balance at 31 March	558	20,075

13. Trade payables and other current liabilities

	2013-14 £	2012-13 £
Amounts falling due within one year		
Other taxation and social security	17,471	20,486
Trade payables	(35)	270
Other payables	49,961	50,676
Accruals and deferred income	108,025	199,205
Total	175,422	270,637

Intra-Government receivables balances

	2013-14 £	2012-13 £
Amounts falling due within one year		
Balances with other central government bodies	121,960	223,719
Balances with local authorities	-	104
Subtotal: Intra-government balances	121,960	223,823
Balances with bodies external to government	53,462	46,814
Total	175,422	270,637

14. Capital commitments

At 31 March 2014 there was no capital commitments contracted (2012-13: £Nil).

15. Commitments under leases

Operating leases

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

	2013-14 £	2012-13 £
Obligations under operating leases for the following periods comprise:		
Buildings:		
Not later than one year	3,325	79,800
Later than one year and not later than five years	-	6,650
Later than five years	-	-
Total	3,325	86,450
Other:		
Not later than one year	586	1,840
Later than one year and not later than five years	-	586
Later than five years	-	-
Total	586	2,426

Finance leases

There were no finance lease commitments at 31 March 2014 (2012-13: £Nil).

16. Losses and special payments

There were no losses or special payments during 2013-14 (2012-13: £Nil).

17. Related party transactions

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

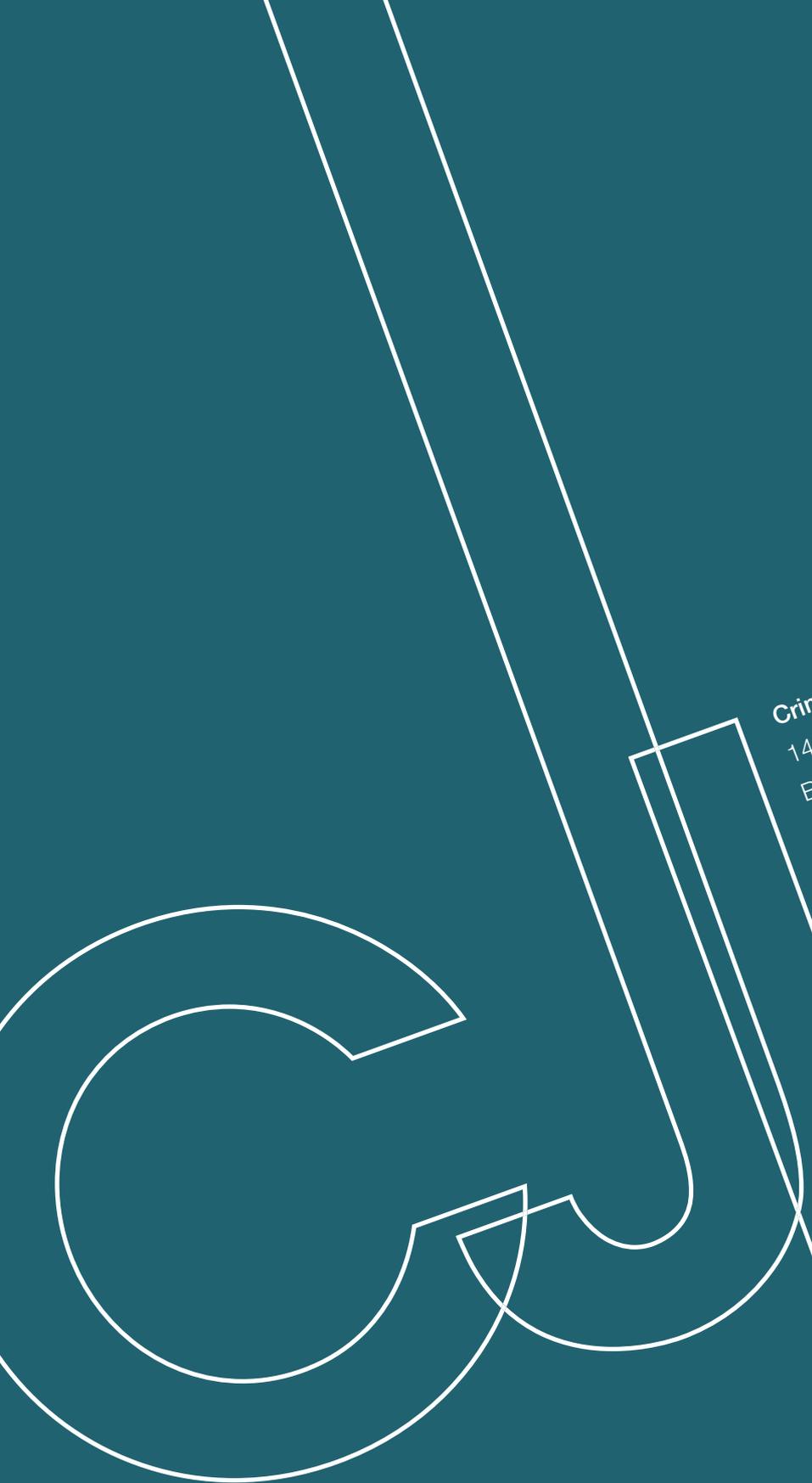
In addition, CJI has had various transactions with other government departments and with HM Chief Inspector of Prisons, HM Chief Inspector Crown Prosecution Service Inspectorate and HM Chief Inspector of Probation.

No Management Board member, key manager or other related party has undertaken any material transactions with CJI during the year ended 31 March 2014.

18. Events after the reporting period

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

The Accounting Officer authorised these financial statements for issue on 26 June 2014.



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