



# ANNUAL REPORT & ACCOUNTS 2010-11



# Annual Report and Accounts 2010-11

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Criminal Justice Inspection Northern Ireland Annual Report and Accounts for the year ended 31 March 2011.

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

1 July 2011

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Dr Michael Maguire

## Chief Inspector's Report

2010-11 has been another busy year for Criminal Justice Inspection Northern Ireland (CJI) during which we published 10 full inspection reports and five follow-up inspection reviews.

In total we submitted 15 full inspection reports to the Minister of Justice. A significant component - around 50% - of our work this year has been in relation to thematic inspections. These are inspections that consider those issues that cut across more than one justice organisation. CJI is well placed to undertake this work as we are a truly integrated Inspectorate - unique in the UK and Ireland - with responsibility for the inspection of the Police Service of Northern Ireland (PSNI), the Public Prosecution Service (PPS), the Northern Ireland Courts and Tribunals Service (NICTS), the Northern Ireland Prison Service (NIPS), the Probation Board for Northern Ireland (PBNI) and the Youth Justice Agency (YJA) as well as a range of other justice organisations.

This financial year saw the devolution of policing and justice, the most significant change in the justice system here for a generation. CJI's first report to the locally elected Minister of Justice, David Ford MLA was on the reduction of avoidable delay across the justice system. The inspection showed that despite major efforts to address the

problem of avoidable delay, there had been little change in the overall length of time it takes to progress a case from arrest through to disposal by a court. The time it takes to deal with young people in the justice system was of particular concern as it took an average of 148 days to process a charge case and 283 days for a summons case in 2009-10. Comparisons with the most similar justice system in England and Wales showed that timeframes in Northern Ireland were significantly slower. My overall conclusion was that a step change was required in the performance of the justice organisations if they were to meet the challenges of reducing avoidable delay.

Three areas for improvement were identified. Firstly, there was a need for justice organisations to work more closely together in the delivery of a joined-up justice system. In particular there was a need for a stronger working relationship between the PSNI and the PPS. The original intention of the Criminal Justice Review (now over 10 years old) was to separate investigation from

prosecution. While recognising the importance of this separation, the report argued that this should not be at the expense of a collaborative justice system that recognises the respective roles of organisations but requires effective working. The justice architecture that was designed for 10 years ago may not be as relevant today, particularly if it causes unnecessary delay within the system.

A second major issue was the need for justice organisations to deal now with the issues that impact on delay, including file quality and case management/case progression. These issues impact on the ability of cases to proceed at Court and can be dealt with at an earlier stage, therefore reducing the number of adjournments within the system. There were 140,000 adjournment orders for defendants in the criminal courts in 2008; again the problem was particularly acute for young people. There was an average of 4.7 adjournment orders in the Youth Court compared with 1.35 in England and Wales.

Thirdly, at a strategic level, we identified a need for improved Ministerial oversight of performance supported by a more focused Criminal Justice Board.

The Avoidable Delay report was welcomed by the new Minister who received a briefing on its contents as did the newly formed Justice Committee. The Department of Justice responded by publishing an action plan and establishing a new programme of work to be delivered through a number of cross-agency working groups. In turn, I committed the Inspectorate to producing an Annual Report to the Minister on performance. I am also pleased to note that the Lord Chief Justice commented on

the work of the Inspectorate in relation to reducing avoidable delay. He presented the issue as a good example of entirely appropriate collaboration between an independent judiciary and operationally independent bodies such as the PSNI and the PPS, in order to find effective solutions to the problems of reducing avoidable delay.

Later in 2010 CJI published a report into the handling of sexual violence and abuse cases by the criminal justice system. Although a controversial figure, the inspection of Sexual Violence and Abuse cases showed that only 7% of reported rape cases resulted in a conviction. The current position in Northern Ireland is no worse than elsewhere in the United Kingdom but improvements could and should be made. The inevitable conclusion was that a substantial number of victims do not access the criminal justice system. Justice organisations must also take all lawful steps open to them to ensure victims of sexual violence and abuse experience the best possible service in demanding circumstances.

From the perspective of the victim, the inspection of Sexual Violence and Abuse cases found that there was a need to provide better support and information to the victim as their case progressed through the justice system. The speed with which cases progressed needs to be accelerated to reduce the trauma and associated anxiety for victims. And there was a constant need for justice organisations to review why cases did not progress and to take appropriate action where necessary.

A third thematic inspection report considered the experience of those who were victims of Domestic Violence and Abuse. As with the handling of

sexual violence cases, the inspection did not find one single issue arising from the work of the system that would improve its overall performance. Instead, the report focused on a series of steps that each of the justice agencies could undertake to improve the overall support provided to victims and ensure justice. This included the need for greater consistency of service across PSNI Districts.

In both reports we identified areas of good practice including the links between the justice system and the voluntary and community sector, the police investigation teams and the plans to introduce a Sexual Assault Referral Centre.

At the request of the Minister, we examined the handling of the Donagh sexual offence cases involving the McDermott brothers by the justice system. The report considered the quality of administrative practices in relevant justice agencies, the quality of inter-agency communication and collaboration and the nature of communication with victims. In overall terms, the messages which emerged on the performance of the justice agencies were positive ones. The cases were investigated thoroughly, prosecutions resulted in one conviction and a “finding of fact” against two other defendants, and the risks posed by the McDermott brothers were managed appropriately by the Public Protection Arrangements Northern Ireland.

The administrative errors which were identified during the cases’ progression did not materially affect the outcome of the disposal. It was clear, however, that there was no structured opportunity for the survivors or the local community to explain the impact of the McDermott brothers continuing to live in the local

community. In my view, this reinforces the need for the voice of survivors and in these particular circumstances, the community, to be heard and understood.

Our single agency inspection work focused on the Northern Ireland Prison Service. In September 2010 in collaboration with Her Majesty’s Inspectorate of Prisons we published a follow-up report on Magilligan Prison. The report presented the findings of a full announced inspection of Magilligan completed at the end of March/April 2010. Since the last inspection in 2006, the report identified a number of improvements in the physical environment, prisoner safety and regime provision. This was a generally positive report on an improving prison and we paid tribute to the Governor and his staff for their determination to deliver change. The report also identified problems with healthcare arrangements and the issue of industrial relations which seriously limited time out of cell and access to purposeful activity.

Our inspection of Prisoner Escort and Court Custody arrangements showed there was a need for a rethink of how prisoner escort services are delivered. While the current service operated to an acceptable standard, there was a fragmented approach to service delivery across the NIPS, the YJA and the PSNI with no common approach to standards. The report also argued that the service could be delivered more cost effectively. Prisons returned to the agenda in November 2010 when CJI was asked by the Minister of Justice to report on the NIPS enquiry into the erroneous releases of two prisoners. Inspectors attended all core meetings of the NIPS Enquiry Team and provided oversight, challenge and comment on all discussions we considered to be appropriate. One area of concern raised by Inspectors involved

a delay in initiating disciplinary procedures by the NIPS.

This and other issues were considered in full in December 2010 when CJI published an inspection into NIPS Corporate Governance. The question considered by the inspection was why the Prison Service continued to under deliver - despite the resources available and clearly documented criticisms over a number of years. The report demonstrated that there were weaknesses in holding people accountable for their work and in managing performance. In addition, the Prison Service needed to develop a culture and working practices that met business needs. This meant addressing a range of restrictive practices that undermined attempts to implement a positive regime for prisoners and improve public safety. The NIPS also needed to develop an industrial relations climate that supported change rather than undermined it. The Minister of Justice and the Justice Committee received briefings on the inspection report and its key findings.

It is with concern that once again in our Annual Report we highlight a range of issues within the Northern Ireland Prison Service. At the time of writing, the Minister of Justice had received an interim report from the Prison Review Team and there had been significant management changes at the top of the organisation. There is no doubt the Minister is committed to a reform agenda. It is critical that this good intent is translated into meaningful activity on the ground where it matters. Improving outcomes for prisoners is a critical step in public protection through a reduction in re-offending. There will come a point where patience with the NIPS as it is currently organised will be exhausted and more radical steps will be required to achieve a step change in performance. If the

public sector cannot deliver, then it is right and proper that all options - including a strengthened role for the private sector where appropriate - are put on the table for consideration.

The Inspectorate also completed follow-up reviews into road policing, hate crime, the Youth Conference Service, Royal Mail Group and Belfast Harbour Police. In each case we were able to report on improvements since the previous inspections. This again strengthens the importance of follow-up work as a method of charting progress and demonstrating good practice. In all of the inspection work mentioned - and in many others - we found many examples of good practice. They include the police officer who engages effectively with a victim; a prosecutor who provides clear information on what is happening; a court process that helps to demystify and support victims and witnesses; and probation and prison officers who act as effective role models for offenders by challenging offending behaviours. Much of this work can be recognised as excellent and deserves credit and acknowledgement. This important aspect of our work can be lost in translation.

Looking back on the year, what lessons can be learned? Not surprisingly the issue of 'joined-up' justice remained an important one. Again and again, many of the problems identified in the inspection reports related back to the relationships between the different justice agencies. As we examine the journey of an individual through the justice process, we see that from their perspective it can be a fragmented, slow and disjointed experience. To the victim of a crime the justice system is a connected process. This often sits uncomfortably beside the reality of what actually happens. Improving working

relationships to become more effective across the justice organisations can be achieved without damaging the importance and perception of operational independence. Silo thinking within organisations has undermined the development of effective working. While it is understandable that organisations focus on their own needs, this can be to the detriment of the system overall and the needs of victims and witnesses.

The fragmented nature of accountability within the justice system has provided a barrier to effective working. Under direct rule, three different Government Departments were responsible for aspects of the justice system – the Northern Ireland Office for most justice bodies, the Attorney General for the PPS and the Lord Chancellor's Department for the Northern Ireland Court Service. It was therefore difficult to develop a more joined-up approach which in part, was reflected by the limitations of the Criminal Justice Board in dealing with cross-cutting issues such as avoidable delay. The devolution of policing and justice transferred most of the responsibility for the justice organisations to a local Minister. This will strengthen local accountability. The situation regarding the PPS is less clear and we would urge action on the governance role of the Attorney General for Northern Ireland. The effective supervision of policing also requires the continuation of an effective Northern Ireland Policing Board.

My interaction with the Minister over the past year has been very positive and I would like to thank him for his support. In addition to quarterly briefings, he has been briefed on the contents of specific reports. As part of these discussions, I am pleased to report that the Minister has initiated changes to the current arrangements aimed at

strengthening the monitoring of progress against the delivery of CJI recommendations. These include the need for sponsor branches within the Department of Justice where they have responsibility, to monitor progress against CJI strategic recommendations and to address the delivery of CJI recommendations in regular oversight meetings between the Permanent Secretary of the Department and the Director General of the NIPS and the Director of the NICTS. The Criminal Justice Board will also monitor progress against recommendations from relevant thematic reports on a six-monthly basis. Organisations within the remit of the Department will be encouraged to include strategic recommendations as specific actions within their action plans. In addition, the Minister intends to issue a consultation document on the governance and accountability arrangements for the PPS. I would like to see the issue of monitoring arrangements for CJI recommendations directed towards the PPS as part of that consultation exercise.

There is also a new player on the field in relation to accountability, the Justice Committee. CJI briefed the Committee on a number of occasions and it demonstrated a real potential to address cross-cutting issues across the justice system. Overall, it has provided an important platform upon which to build a more effective governance and accountability framework. Certainly CJI had more contact with the Minister and the Committee for Justice in the last year than it had under the previous structures which involved the Northern Ireland Office and the Northern Ireland Affairs Committee. The final piece of the accountability framework has been slipping into place. I have welcomed the opportunity to present CJI reports and discuss their findings and

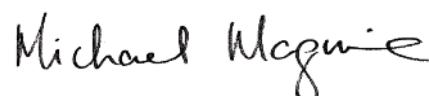
implications with the Justice Committee. My engagement with the Chairman, Deputy Chairman and members of the Committee has been extremely helpful to the work of the Inspectorate.

What is clear is that having a local Minister and Justice Committee sharpens the focus of the justice organisations and makes their agendas more relevant to the needs of local people. While it is too early to see whether the overall accountability framework has achieved tangible results, the past year has seen significant political interest in the work of the Inspectorate. CJI is ready and willing to play its role in providing an independent, impartial and objective assessment of what is happening across the justice system to assist others in the decision-making process. In all of this interaction, the independence and impartiality of the Inspectorate has been preserved and I believe strengthened.

The objectives of CJI are to: promote efficiency and effectiveness through assessment and inspection to facilitate performance improvement; provide an independent and impartial assessment to Ministers and the wider community on the working of the justice system; provide independent scrutiny of the conditions for and treatment of, users of the justice system; and to work in partnership to deliver a high quality independent, impartial inspection programme. As you will see from this Annual Report, I believe these objectives have been met in full.

Finally, I would like to express my thanks to those organisations we have worked with throughout the year. Thanks also to the team within CJI. The body of work that has been delivered is substantive. In addition, the awarding of ISO

9001:2008 certification is a credit to their hard work and determination especially as we are the only UK Justice Inspectorate to hold such accreditation. It reinforces our commitment to the criminal justice system in Northern Ireland.



**Dr Michael Maguire**

Chief Inspector of Criminal Justice in Northern Ireland

23 June 2011



Brendan McGuigan

## Management Commentary

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.

### Background information

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, 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 current Chief Inspector was appointed on 1 September 2008.

Initially CJI conducted a programme of inspections which were agreed annually with the Secretary of State for Northern Ireland. Following the devolution of policing and justice matters on 12 April 2010, responsibility for agreeing CJI's inspection programme passed to the locally-elected Minister of Justice.

### Devolution of policing and justice functions

On 12 April 2010 Justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland

Department. From this date CJI became an executive Non-Departmental Public Body of the Department of Justice.

In accordance with the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 the annual report and accounts of CJI for the year ended 31 March 2011 and onwards will be laid in the Northern Ireland Assembly.

During the period up to 12 April 2010, CJI complied with the corporate governance and accountability framework arrangements (including Managing Public Money) issued by HM Treasury and the Northern Ireland Office.

From 12 April 2010 onwards, CJI complied with the corporate governance and accountability framework arrangements (including Managing Public Money Northern Ireland) issued by the Department of Finance and Personnel and Department of Justice.

## Remit of Criminal Justice Inspection

Criminal Justice Inspection Northern Ireland has a remit to inspect a wide variety of organisations and bodies under s.46 and s.47(4) of the Justice (Northern Ireland) Act 2002 and as amended by s.45 of the Justice and Security (Northern Ireland) Act 2007.

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 and bodies 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 Agency for Northern Ireland;
- The Northern Ireland Legal Services Commission;
- 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 agencies. 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 Northern Ireland Child Maintenance and Enforcement Division;
- Health and Social Service's Board and Trusts;
- The Department of Enterprise, Trade and Investment;

- The Department of the Environment;
- 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 Department of Justice'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 2010-11, CJI's formal accountability was to the Minister of Justice.

## CJI's Objectives

CJI's objectives 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.

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 2010-11

In this section, CJI reports on progress against its objectives and targets for the 2010-11 financial year as listed in its Business Plan. They are divided into three areas: Inspections and Action Plan Reviews/Inspection Follow-Up Reviews; Communication and Corporate Business.



## INSPECTIONS AND ACTION PLAN REVIEWS/INSPECTION FOLLOW-UP REVIEWS

### **Objectives**

- To conduct a series of inspections within the legislative remit of CJI and to make the findings of these inspections publicly available; and
- To conduct a series of follow-up reviews of inspections carried out by CJI and to make the findings of these follow-up reviews publicly available.

### **Targets**

- To present 15 inspection reports to the Minister of Justice for permission to publish during the financial year;
- To publish five action plan/inspection follow-up reviews on the CJI website - [www.cjini.org](http://www.cjini.org) - during the financial year; and
- To commence those inspections listed in the Business Plan within the 2010-11 financial year.

### **Outcomes**

CJI had by 31 March 2011 presented 15 inspection reports to the Minister of Justice seeking permission to publish. In addition, five action plan/inspection follow-up reviews were published on the CJI website - [www.cjini.org](http://www.cjini.org) - during 2010-11. The Inspectorate also commenced work on all inspections listed in the 2010-11 Business Plan by the end of the financial year with the exception of two reports which were postponed by mutual agreement with the agencies concerned.

## COMMUNICATION

### **Objectives**

- To support the Inspectorate in all its publications in accordance with its legislative requirements;
- To increase engagement with stakeholders; and
- To increase awareness of CJI's contribution to the criminal justice system.

### **Targets**

- To publish by laying before the Northern Ireland Assembly all inspection reports within 15 working days of receiving written permission to publish from the Minister of Justice, subject to the restrictions of the Assembly timetable;
- To publish by laying before the Northern Ireland Assembly, CJI's Annual Report and Accounts for 2010-11 before 30 September 2011;
- To obtain feedback on CJI's work from the heads of the main criminal justice agencies; the Minister of Justice; the Lord Chief Justice; the Attorney General for Northern Ireland; the Advocate General for Northern Ireland and the justice representatives of the main political parties, at least once during the 2010-11 financial year;
- To publish within the 2010-11 financial year, four editions of CJI's newsletter The Spec;
- To run a stakeholder conference in the 2010-11 financial year; and
- To publish and circulate within six weeks of the conference an overview of the Conference proceedings to all conference participants and other stakeholders.

### **Outcomes**

During the reporting period 15 inspection reports and action plan/inspection follow-up reviews authored by CJI were published. Of these seven were published and laid in the Northern Ireland Assembly within 15 days of receiving written permission to publish from the Minister of Justice. A further five follow-up reviews which are not subject to written Ministerial approval, were published within 15-days of their submission to the Minister of Justice. Of the outstanding three reports, one was published at the start of April 2010. As Ministerial permission to publish was granted in respect of this report prior to the end of the 2009-10 financial year, it is not included in the 2010-11 Business Plan target. The final two reports - which were specific Ministerial requests undertaken by CJI - were published by the Department of Justice and laid in the Northern Ireland Assembly after being submitted to the

Minister. They are therefore excluded from CJI's 15-day publication target.

Throughout the year, CJI undertook to engage with key stakeholders on a regular basis in order to obtain feedback on the Inspectorate's work. This resulted in a series of meetings being held between the Chief Inspector and Deputy Chief Inspector and the heads of all the criminal justice agencies, the Lord Chief Justice, the Attorney General for Northern Ireland, the Chairman and Deputy Chairman of the Justice Committee, the Minister of Justice and justice spokespersons for each of the main political parties represented in the Northern Ireland Assembly. In addition, discussions were also held with representatives of the various oversight bodies working within the criminal justice sector as well as the voluntary, community and academic sectors. During the last 12 months, CJI once again ran a successful Stakeholder Conference which was attended by senior representatives from across the criminal justice system, its agencies, local political representatives and members of the voluntary and community sector who engage with and have an interest in criminal justice matters. The conference was held at the Stormont Hotel on 19 January 2011 and around 160 delegates were present.

CJI also published four editions of its newsletter *The Spec* in August, January and two in March one of which was dedicated to the CJI Stakeholder Conference and was produced within six-weeks of the conference.

In addition to this work, CJI engaged with the Committee for Justice and gave evidence to the Committee on four separate occasions raising awareness of the work of the Inspectorate and its contribution to the criminal justice system. At time of writing, CJI is working with its auditors and sponsor division within the Department of Justice to ensure that its target for laying the 2010-11 Annual Report and Accounts in the Northern Ireland Assembly by 30 September 2011 is met.

## CORPORATE BUSINESS

### Objective

- To fulfil the statutory requirements placed upon CJI by the Northern Ireland Assembly and UK Government;
- To maintain a sound system of financial control; and
- To obtain external certification for a Quality Management System within the 2010-11 financial year.

### Targets

- To publish within the first 12-weeks of the start of the new financial year, a Business Plan for that year which has been approved by the Minister of Justice;
- To seek ISO 9001 certification for CJI;
- To process all payments within 10 days of receipt of a valid invoice or request for payment in line with UK Government recommendations;
- 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 Assembly or Parliamentary Questions within 10 working days or the specific timeframe advised by the Department of Justice; and
- To seek to obtain a clean (unqualified) audit certificate from the Comptroller and Auditor General for Northern Ireland for the 2010-11 accounts.

### Outcomes

During 2010-11, CJI successfully applied for and secured ISO 9001:2008 accreditation for its business processes. The certification was awarded and approved by UKAS following an in-depth audit in February 2011 of CJI's processes by an independent consultancy firm.

CJI also responded to requests for information it received from the Department of Justice in relation to Assembly or Parliamentary Questions within its target timeframe. In addition, CJI received four requests for information under the

Freedom of Information Act 2000. Each of these requests were processed and responded to within the 20-working day target timeframe in accordance with legislative requirements. CJI is also able to record that during the course of the financial year it processed 98.47% of payments within 10-days. CJI was unable to secure 100% in this instance due to staffing shortages within the first six months of the financial year. At time of writing, CJI is working to ensure its Business Plan for 2011-12 is published by 24 June 2011. A draft inspection programme for inclusion in the 2011-12 Business Plan was prepared and consulted upon during February and March 2011, however submission to the Minister of Justice for approval was delayed due to the dissolution of the Northern Ireland Assembly on 24 March in advance of the 2011 Northern Ireland Assembly Elections.

In respect of the audit certificate and report of the Comptroller and Auditor General for Northern Ireland on CJI's 2010-11 accounts, please refer to the comments contained on pages 46 and 47 of this report.

### **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<sup>1</sup>. The Statement of Account must be submitted to the 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 page 39 to 42.

### **Disclosure to Auditors**

Prior to the devolution of policing and justice functions in Northern Ireland, the Financial Statements were audited by the Comptroller and Auditor General (who heads the National Audit Office) and reported to Parliament. Financial statements for 2010-11 onwards are audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office and is appointed by statute and reports to Northern Ireland Assembly. His certificate and report is produced at pages 46 to 47.

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The actual audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these Financial Statements, was £11,500 (2009-10 £9,700). Actual audit charges for 2009-10 include additional costs for the audit of the implementation of International Financial Reporting Standards.

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports. No such activity took place during the year.

### **Principal Risks**

CJI has during the 2010-11 financial year, 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, July and November 2010 and again in March 2011 to ensure the risks considered were

<sup>1</sup> or, prior to the devolution of policing and justice powers to the Northern Ireland Assembly on 12 April 2010, as directed by the Secretary of State.

relevant to the organisation. The main risks in practice are seen as:

- **Personnel risk:** The danger of losing key staff, with the associated loss of expertise.
- **Reputational risk:** The danger that CJI might be seen as partisan in its approach or its recommendations/report findings are not viewed as adding value to improve performance within the criminal justice system.
- **Relations with agencies:** The danger that agencies may fail to offer reasonable co-operation and that CJI may get into protracted debates about draft reports which delay their publication.
- **Relations with the community:** The danger that community and voluntary organisations may be unwilling to engage with CJI.

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 Pay and Performance Division within the Department of Justice and Access NI for security clearance.

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

None of this detail is transported outside of CJI.

CJI confirms that during 2010-11 there were no personal data related incidents to report to the Information Commissioner.

### Accounts Preparation and Financial Position

The accounts for 2010-11 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 48.

Revenue Grant-in-Aid for the period was £1,435,000 (£1,427,490 in 2009-10) and the Net Expenditure was £1,491,755 (£1,433,191 in 2009-10).

Details of the General Reserve and the Revaluation Reserve are given in the Statement of Taxpayer's Equity on page 51. An amount of £(10,057) (£5,899 in 2009-10) was transferred to the Revaluation Reserve. This represents the movement in the valuation of non-current assets in the year.

### 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 initially with the Government's and from devolution, the Department's 10-working day turnaround for goods/services and invoices.

During the year ended 31 March 2011, 98.47% (93.62% in 2009-10) were paid in this 10-day timeframe.

## Pension Liabilities

Details of how pension liabilities are treated can be found in the accounting policy note 1(b) on page 52.

## 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 does not believe that the most productive way to promote improvement is by 'naming and shaming' 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 partnership 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 judgment;
- 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. This is followed by inviting the agency itself, where appropriate, 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.

## Corporate Ethos

CJI aims to manage itself according to the best current principles and to serve as an example of the good management practices which it will foster.

It aims to be a good employer but a disciplined one. Although the terms and conditions of staff members are broadly aligned to those of the Northern Ireland Civil Service (NICS), the culture of the organisation is modelled on a modern, knowledge-based business, not a conventional bureaucracy.

The health and wellbeing of staff members is of paramount concern.

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



**CJI staff members who participated in an abseil in aid of the Northern Ireland Children's Hospice pictured with their certificates. Included are (l-r) William Priestley, Dr Michael Maguire, Rachel Lindsay and Derek Williamson.**

Staff members are expected to comply with the standards of conduct laid down by s.4 of the Civil Service Management Code and the Northern Ireland Civil Service 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 Northern Ireland Civil Service Code of Ethics.

### **Corporate and Social Responsibility**

In 2010-11 CJI maintained its recycling policy for non-sensitive paper waste across the organisation. The distribution of inspection reports, follow-up reviews and the Inspectorate's newsletter *The Spec* by electronic means continued for those who had indicated a willingness to receive information in this format. It is CJI's intention to move during the 2011-12 year to distribute the majority of CJI inspection reports, reviews and other corporate publications electronically.

During 2010 CJI nominated and undertook fundraising activity on behalf of the Northern Ireland Children's Hospice - its corporate charity

for the year. As part of its fundraising efforts, four members of staff took part in an abseil down the front of the Europa Hotel in Belfast in September 2010 raising a total of £2145.00 for the charity.

The Stroke Unit at the Ulster Hospital, Dundonald was nominated by staff as CJI's corporate charity for 2011 and it is the Inspectorate's intention to once again undertake fundraising activity during the year in support of its work.

### **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 who must arrange for CJI's reports to be laid in the Northern Ireland Assembly<sup>2</sup>.

If the Secretary of State for Northern Ireland believes that a report prepared by CJI includes information, which if included in a report, would be against the public interest on the grounds of national security, the Secretary of State may also require the Chief Inspector to refer the report to him.

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

<sup>2</sup> Prior to the devolution of policing and criminal justice matters, the Chief Inspector reported his inspection findings to the Secretary of State and CJI's reports were laid in Parliament.

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. They are assisted in their work by the Finance Manager, Business and Communications Manager and a representative of the Inspection Team.

While CJI does not have a Management Board, it has an Audit Committee which meets at least three times per year. The Audit Committee includes two independent members, one of which undertakes the role of Chairperson. Representatives from internal and external audit attend meetings of the Committee along with a representative from CJI's sponsor Department. Minutes of CJI's Audit Committee meetings held during the year are available on the CJI website - [www.cjini.org](http://www.cjini.org).

### **Organisational Development**

CJI first indicated that it would seek external accreditation for its Quality Management System (QMS) in its 2009-12 Corporate Plan. To further develop the QMS and in an effort to achieve certification, CJI carried out preliminary work during 2009-10 and since August 2010 ensured that the QMS was being fully implemented across all its business areas.

In January 2011 CJI underwent the first stage certification audit which was carried out by a UKAS accredited organisation. This was followed in February 2011 by a full audit of all activities against the standard. As a result of this comprehensive audit, all of CJI's business operations were awarded ISO 9001:2008 certification.

CJI carried out a full management review of the QMS in March 2011 and found that since full implementation it had delivered over 60 process improvements. A programme of internal audits



**CJI staff receive their ISO 9001 accreditation from Alan Peters, SGS. Also pictured are Brendan McGuigan, Dr Michael Maguire and William Priestley.**

and regular evaluation of procedures ensures that there is continuous improvement of the QMS. The focus for CJI is to continue to enhance the system we use to consistently deliver a quality product.

### **Staffing**

CJI had a complement of 16 staff at the start of the financial year. During the course of the year, staffing figures increased to 17, but by the end of the financial year had decreased to 16. This was due to the appointment of a temporary Inspector and the retirement of another Inspector. Further staffing changes occurred with the recruitment of another member of the Business Support Team.

CJI remains committed to developing each member of staff so that all reach their full potential. During 2010-11, all CJI staff undertook a training session on the Microsoft Word 2007 computer package. All staff also received training and support following the introduction of CJI's quality management system and associated ISO 9001:2008 procedures and processes.

In support of this organisational development, three members of staff were trained as ISO 9001 internal auditors.

The majority of staff also undertook diversity/equality training during the financial year and were trained in best practice in identifying and managing the corporate risk register.

A member of the Inspection Team undertook work as an EFQM® assessor and commenced a two-year part-time Masters Degree in Public Administration. In addition, they joined the Business and Communications Manager in undertaking training on Section 75 obligations in relation to the new equality agenda.

Another member of the Inspection Team undertook training in relation to managing staff absence. This training was also undertaken by the Finance Manager.

During the course of the financial year, a third member of the Inspection Team successfully completed a 12-day corporate governance diploma, while a fourth Inspector undertook training in relation to prisoner resettlement issues and penal abolition.

Two other staff members attended a seminar in relation to the Justice Bill while the Business and Communications Manager, IT Systems Administrator and a Support Officer undertook training in relation to the effective use of social media as a channel of communication. The Support Officer also undertook a proof reading course to enhance their skills in this area.

A member of the Business Support Team completed training in best practice for audit committees while another colleague continued their part-time studies towards a BSc(Hons) degree in Business Studies.

The Chief Executive has line management responsibility for the Inspection staff, the Business and Communication Manager and Personal Assistant.

In 2010-11 the average level of staff sickness absence stood at 14.1 days per employee (25.1 days in 2009-10). This figure includes two members of staff who were on long-term sickness absence.



**Susan Reid, Chief Executive Victim Support Northern Ireland and Derek Williamson, CJI launch the CJI Victims and Witnesses Survey.**

## External Communication

During 2010-11, 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 of the work carried out by the Inspectorate and the impartial nature of the inspection process.

The publication of inspection reports also continued to play a vital role in highlighting the contribution CJI makes to the continued improvement of the criminal justice system in Northern Ireland.

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

During the last financial year, CJI published a total of 15 inspections and action plan reviews/ inspection follow-up reviews. The publication of each report was accompanied by a press release and where appropriate, additional communications activity. In addition, the Chief Inspector responded to requests for interviews from print and broadcast media outlets and wire services and contributed to a number of current affairs programmes examining issues related to criminal justice matters.

CJI continued to participate in and attend a range of conferences and events linked to criminal justice matters. Senior management and members of the Inspection Team were pleased to accept a number of invitations to address conferences and seminars.

In April 2010, the Chief Inspector gave a presentation to senior management at Hydebank Wood Young Offenders' Centre on the purpose of prison inspection. He also outlined what success could look like.

Later the same month the Chief Inspector had the first in a series of quarterly meetings with the Minister of Justice, David Ford MLA which formed part of CJI's consultation on its proposed inspection agenda for the financial year. These meetings were supplemented by specific briefings on individual reports such as avoidable delay and sexual violence and abuse throughout the year.

In May the Chief Inspector met with the Attorney General for Northern Ireland, Mr John Larkin QC following his appointment by the First Minister Peter Robinson MLA and deputy First Minister Martin McGuinness MP, MLA.

CJI also gave evidence before the Northern Ireland Assembly Committee for Justice on the work it had undertaken to date and its proposed inspection programme for 2010-11. The Inspectorate subsequently gave evidence to the Committee for Justice in September on Avoidable Delay; in October on its Sexual Violence and Abuse report; and in January 2011 on its Northern Ireland Prison Service Corporate Governance inspection.

In May, James Corrigan from the Inspection Team travelled to Stockholm, Sweden to give a presentation on CJI's work in relation to victims and witnesses to a criminal justice symposium. Dr Michael Maguire and James Corrigan were also invited to address the North/South Irish Criminology Conference in Belfast on the same topic.

During June 2010, the Chief Inspector was invited to participate as a panellist in an AgendaNi Policing and Justice Conference which was held in Belfast.

In the autumn the Inspectorate launched a six-week long survey aimed at hearing at first hand the experience of victims and witnesses of the criminal justice system in Northern Ireland.

In October Stephen Dolan from the Inspection Team was invited to speak at a CIPFA training event on central government finance. During the same month the Deputy Chief Inspector was invited to speak at a *Unite Against Hate* event on the findings of CJI's follow-up inspection on Hate Crime.

In addition, CJI engaged extensively with the Independent Prison Review Team led by Dame Anne Owers, former Chief Inspector of Prisons with Her Majesty's Inspectorate of Prisons in England and Wales.

The Chief Inspector also participated in a joint University of Ulster/Queen's University, Belfast prisons research symposium in November and in December attended the launch of the West Belfast Community Safety Forum Plan.

At the start of 2011, representatives of CJI were invited to engage with the Criminal Justice Board and give a presentation on current work.

Towards the end of the financial year, the Chief Inspector was invited to participate in a University of Ulster (Jordanstown) conference on restorative justice. He was also involved with the Advisory Board of the Institute of Criminology at Queen's University, Belfast. In addition Dr Maguire was invited to attend the Butler Trust awards ceremony in London which develops innovation by the Prison and Probation Service.

Dr Maguire was also a guest speaker at the Annual General Meeting of the Independent Monitoring Boards in March 2011.

During 2010-11 the Chief Inspector continued to be an active member of the Heads of Inspectorates Forum which brings together the heads of all inspection and regulation agencies within the UK.

### **Corporate and Business Planning**

During the 2010-11 financial year, CJI unveiled its first Business Plan following the devolution of policing and justice functions.

As part of its preparation work for the Business Plan, the Chief Inspector and Deputy 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 2010-11 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 2010-11 inspection programme prior to its submission to the Minister of Justice. The Business Plan was subsequently published in June 2010.

In the latter part of the financial year, CJI held a series of meetings and discussion sessions involving members of the voluntary and community sector and academics from the field of criminal justice, as part of its initial planning for its 2011-12 inspection programme.

### **Working in partnership**

During the 12 months between April 2010 and March 2011, CJI continued to work closely with its partner Inspectorates including Her Majesty's



**Michael Fuller, Chief Inspector Her Majesty's Crown Prosecution Service Inspectorate pictured with James Scholes, Acting Director PPS at the CJI 2011 Stakeholder Conference.**

Inspectorate of Prisons, Her Majesty's Inspectorate of Constabulary, Her Majesty's Crown Prosecution Service Inspectorate, the Education and Training Inspectorate and the Regulation and Quality Improvement Authority.

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

CJI has also worked closely with recognised experts in the field of policing, prosecution and prisons in order to enhance its inspection work. This occurred in relation to specific inspections and action plan reviews/inspection follow-up reviews such as Road Policing, the NIPS Corporate Governance inspection and the handling of the Donagh sexual abuse cases.

The Chief Inspector also took steps to strengthen the relationships between CJI and Her Majesty's Inspectorate of Prisons when he met with the new Chief Inspector Nick Hardwick. Meetings were also conducted with Michael Fuller, Chief Inspector with Her Majesty's Crown Prosecution Service Inspectorate.

Relations with Her Majesty's Inspectorate of Constabulary were further strengthened with meetings between CJI's Chief Inspector and Deputy Chief Inspector with its Chief Inspector Bernard Hogan-Howe and by frequent discussions between CJI Inspectors and Carl Heffer from the organisation's Inspection Team.

In addition senior management in CJI met with the Prisoner Ombudsman for Northern Ireland and the Red Cross during the course of the financial year and engaged extensively with the Prisons Review Team.

### **UK National Preventative 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 preventative mechanism (NPM). The UK Government ratified OPCAT in December 2003 and in March 2009 designated 18 NPM bodies across the UK with HM Inspectorate of Prisons to co-ordinate the work of the NPM. 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 2010-11 on Magilligan Prison and court custody and prisoner escorting arrangements in addition to its inspections and visits to the Juvenile Justice Centre, relate to its NPM function. CJI contributed to the first UK NPM Annual Report which was published in February 2011 and provides an overview of the work across the UK.

### **Political engagement**

During 2010-11 CJI has enjoyed a productive and mutually beneficial working relationship with the Minister of Justice, David Ford MLA. Following the devolution of policing and justice matters, the Inspectorate has also welcomed the opportunity to engage and have discussions with politicians appointed to the Northern Ireland Assembly's Committee for Justice.

MPs 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 2010-11.



### **Stakeholder Conference**

CJI's annual conference took place in January 2011. The theme for the event was 'Oversight and Accountability'.

The event was attended by over 160 delegates from across Northern Ireland's criminal justice agencies, the voluntary and academic sector and local political parties.



MLA's from the Committee for Justice who took part in a multi-party panel discussion. Included with Dr Michael Maguire are David McNarry MLA; Lord Morrow of Clogher Valley, MLA; Alban Maginness MLA; and Raymond McCartney MLA.

The format of the 2011 Conference differed from previous events with panel discussions and open question and answer sessions involving senior figures from the media in Northern Ireland and influential members of the Committee for Justice forming the core of the day. These sessions were led by an independent facilitator.

In his opening address Dr Michael Maguire, CJI's Chief Inspector chose to highlight the importance of a collective, joined-up approach to justice.

He spoke of the importance and need for a collaborative approach from the criminal justice

agencies for victims and witnesses of crime. And he highlighted the willingness and desire of the Inspectorate to continue to contribute to the development of the criminal justice system in Northern Ireland.

In his first address to the CJI Stakeholder Conference, the Minister of Justice highlighted the value he placed on CJI's reports and the independent, impartial inspection work it conducted.

He also gave an insight into the difference he felt devolution had brought to criminal justice matters both in terms of increased accountability and greater scrutiny.

In the first panel session, five senior representatives from the fields of print and broadcast journalism were invited to discuss their frustrations with the justice system and their views on the level of openness and accountability they experienced. The discussion was followed by a question and answer session where delegates in their table groups, were invited to query the panel on their views and their comments.



Media representatives who participated in the event.



**David Ford MLA addresses the CJI Stakeholder Conference.**

This session was followed by a similar panel discussion on the views of local politicians around openness and accountability and the impact they felt devolution had had. Once again, an engaging question and answer session involving conference delegates followed before Dr Michael Maguire brought the event to a close.

### Information Assurance

Following the devolution of policing and justice matters, CJI aligned itself with the information assurance arrangements in place within the Department of Justice. These arrangements mirror policies and procedures in place within other departments within the Northern Ireland Executive.

During the financial year CJI took steps to comply with the Information Assurance Maturity Action Plan by implementing its own detailed security policies and guidance. CJI also completed an Information Assurance Assessment for its sponsor Department and submitted quarterly Accreditation and Risk Management reports in line with the Department of Justice's Security Policy Framework.

This ensures that CJI's Information, Communication and Technology systems are processing protectively marked information in the correct way.

### Business Support

CJI's Business Support Team is currently made up of six members of staff who provide a range of functions including finance, personnel, IT, inspection, business and communication support. The Business Support Team continues to maintain their on-going efforts to improve existing systems and processes to support CJI's Inspectors and maintain an efficient, effective organisation.

**Brendan McGuigan**

Chief Executive and Accounting Officer

23 June 2011



Dr Willie McCarney

## CJI Audit Committee Report 2010-11

The Audit Committee held four meetings in the current financial year:  
April 27, 2010, June 18, 2010,  
December 2, 2010 and March 25, 2011.

The meeting on April 27 was a special meeting called to review CJI's recruitment procedures in respect of a recent personnel matter. Following the discussion, the Audit Committee indicated it was satisfied with the procedures in place within CJI and proposed steps to further strengthen existing processes.

The Committee took the opportunity to review the Risk Register and to receive a briefing on the external audit for 2009-10.

The Risk Register is a permanent item on the meeting agenda and is regularly reviewed and updated. It is a living document which evolves over time with potential risks removed and new ones added. The register was reviewed again at the June meeting. At the meeting the Committee suggested that the Risk Register Matrix be amended to a nine square chart to give a more precise picture of how risks change over time. Management endeavours to circulate the Risk Register to members in advance of meetings and changes in the level of risk are highlighted.

A Financial Assurance Report conducted by the Department of Justice was made available to members at the June meeting. A Financial Assurance Report conducted by the Department of Justice was made available to members at the June meeting. CJI's internal auditor also presented its "End of Year Assurance Report" at this meeting.

Reviews of single tender actions over £5,000 and the travel and subsistence of the Chief and Deputy Chief Inspectors are standing items on the agenda of all meetings.

The Audit Committee's Self Assessment was reviewed at the June meeting and approved subject to some minor amendments.

The members agreed at the June meeting that the Chair and Secretary should finalise the process of uploading the Audit Committee Minutes to the CJI website. The Chair reported to the December meeting that this had been implemented from June 2010.

The March meeting received an update of the 2011 Internal Audit Report. The independent representatives congratulated CJI on the fact that no high priority issues were identified. They said that it is beneficial for the internal auditor to note the low priority findings in the report to assist CJI to strengthen its procedures and agreed that it was a good reflection that CJI have taken steps quickly to implement the recommended changes.

In reviewing the Risk Register it was noted that CJI had obtained the accreditation of ISO 9001:2008. The ISO 9000 family of standards relate to quality management systems and are designed to help organisations ensure they meet the needs of customers and other stakeholders. The standards are published by ISO, the *International Organisation for Standardisation* and are available through National standards bodies. CJI secured the external accreditation in February 2011 – the culmination of over six months preparatory work. It has thus become the first UK-based justice Inspectorate to secure ISO 9001:2008 certification for its inspection work and other business processes. The Audit Committee congratulated CJI on obtaining the certification. The continuing challenge for CJI is to further improve its organisational processes using the quality standard to ensure a consistent approach to delivering high quality inspection reports.



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**Dr Willie McCarney**  
Chair of CJI Audit Committee  
April 2011

# Objectives of the Criminal Justice System in Northern Ireland

## Constituents of the Criminal Justice System

The criminal justice system in Northern Ireland comprises seven main agencies:

- The Police Service of Northern Ireland;
- The Northern Ireland Prison Service;
- The Public Prosecution Service;
- The Probation Board for Northern Ireland;
- The Youth Justice Agency;
- The Northern Ireland Courts and Tribunals Service; and
- The Department of Justice (whose responsibilities were passed over from the Northern Ireland Office following the devolution of policing and justice matters on 12 April 2010).

There are also a number of smaller agencies 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 and the Serious and Organised Crime Agency (SOCA), that are important players in the criminal justice system but which are excluded from the remit of CJI.

## 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 Department of Justice's addendum to the Programme for Government which can be found at

[http://www.dojni.gov.uk/index/publications/doj\\_ddendum\\_to\\_pfg.pdf.pdf](http://www.dojni.gov.uk/index/publications/doj_ddendum_to_pfg.pdf.pdf)

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

This section summarises the findings of inspection reports and action plan reviews/inspection follow-up reviews published by CJI in 2010-11. During this financial year, CJI published 10 Inspections and five 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 2010-11 will not be published until the 2011-12 financial year. They include CJI's inspection of Customer Service within the PSNI, an inspection of Youth Diversion by the criminal justice system, a review of Public Protection Arrangements Northern Ireland, and a follow-up review of the treatment of victims and witnesses within the criminal justice system.

### The management of jurors

In April 2010 CJI published its report into the management of jurors by the Northern Ireland Court Service (now the Northern Ireland Courts and Tribunals Service). The report assessed the experience of those summonsed as jurors from the point of notification and summons through to their arrival at court, to the pre-trial, trial and post-trial stages.



The inspection found the Court Service was meeting the demands of the criminal justice system by providing sufficient numbers of jurors to ensure the smooth running of criminal trials and that there had been no unnecessary delays due to insufficient juror numbers. Court Service staff had adopted a customer service excellence approach in order to ensure the experience of those called for jury service was a positive one.

Inspectors surveyed serving jurors and found that 93% indicated they had a good or satisfactory experience of jury service whilst 63% felt they had made a positive contribution to the justice system by serving as a juror.

Inspectors recommended that further work should be undertaken to improve the numbers of jurors being utilised. While the demands of the criminal justice system were being met, the

number of jurors called regularly exceeded the number actually required. Based on research in England and Wales, Inspectors stated that operating with optimum numbers of jurors would improve both the effectiveness and efficiency of the management and administration of jury service.

In an effort to further strengthen juror management arrangements, Inspectors urged the Court Service to continue assessment of its court venues to ensure ease of access for jurors with disabilities, and to take action to improve accessibility to enable disabled people to play a full part in jury service.

The overall message was a positive one whilst jurors experiences could be further strengthened through the implementation of the eight recommendations contained in the inspection report. The inspection was conducted by CJI's William Priestley.

### **Avoidable Delay within the criminal justice system (incorporating an inspection of the interface between the PSNI and the PPS)**

CJI published its first inspection report on Avoidable Delay in May 2006. At this time, the criminal justice organisations responded with the development of a delay strategy and the introduction of specific timeliness targets/standards.

In June 2010, the Inspectorate published the findings of a full follow-up



inspection, that assessed progress against the original recommendations. It found that performance against timeliness targets had flat-lined and that the time to deal with youth defendant cases in particular, had increased. Comparisons with England and Wales, showed that Northern Ireland was significantly slower in relation to youth and adult defendant cases. All users of the justice system, including defendants and victims, were negatively impacted by excessive delay.

This report was combined with a concurrent inspection of the interface relationship between the Police Service of Northern Ireland (PSNI) and the Public Prosecution Service (PPS), with Inspectors calling for a transformation of this relationship. This included the need for a common vision on issues such as pre-prosecution advice, police discretion on disposals and the streamlining of the process for the submission of criminal case files to the PPS.

CJI recommended that separately, each of the justice agencies should immediately implement change across a number of key areas. For the PSNI, the main task was to realise its vision of 'getting it right first time' for case files. The PPS was urged to improve its internal processes on case waiting times including the allocation of files to a prosecutor. The summons process was a particular concern, as ownership was shared across a number of organisations. The number and frequency of adjournments in the courts was covered in detail including the need for more effective case progression.

CJI accepted that delivering the required change on the ground would be a major challenge and recommended a strengthening of accountability and leadership as well as direct ministerial oversight of performance.

This inspection was led on behalf of CJI by James Corrigan and Dr Ian Cameron.

## Sexual violence and abuse

In June 2010 CJI published its thematic inspection report on the handling of sexual violence and abuse cases by the criminal justice system in Northern Ireland.

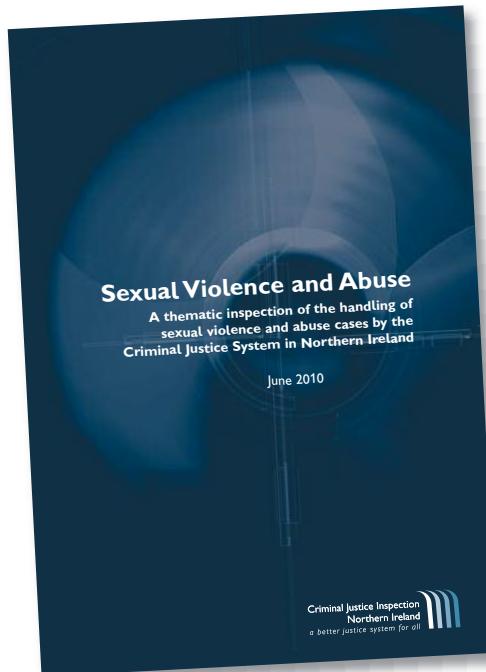
The fieldwork was undertaken with representatives from the criminal justice agencies and other justice stakeholders, representatives of voluntary and community organisations who support victims of sexual violence and abuse, and with some victims who had experience of the criminal justice system.

In addition support was received from colleagues from Her Majesty's Inspectorate of Constabulary and Her Majesty's Crown Prosecution Service Inspectorate to undertake case file reviews.

The inspection, led by CJI's Rachel Lindsay and assisted by William Priestley, highlighted examples of good practice and the dedication of staff working with victims in this area. CJI called on the criminal justice agencies to collectively work to strengthen how they engage with victims of sexual violence and abuse. The recommendations aimed to increase the level of support provided to victims of sexual crimes including rape, attempted rape and child abuse, who choose to pursue a criminal prosecution.

The PSNI and the PPS were urged to improve communication with victims and their representatives. The report also noted that improving the speed at which a case progressed through the justice system, would help reduce the level of trauma and anxiety involved for both victims and the accused.

The report addressed the important issue of attrition rates in relation to sexual crimes. Crimes of sexual violence and abuse are often complex and can be notoriously difficult to investigate and prosecute. As a result, a large number of those cases which are reported to the police, drop out



as they progress through the criminal justice system. This inspection found that while the conviction rate for crimes of sexual violence in Northern Ireland is not good in relation to the numbers that are reported, it is no worse than elsewhere in the United Kingdom.

In an effort to address attrition rates, the inspection report made a number of specific recommendations in relation to police call management; investigating reasons why the majority of rape cases are directed for 'no prosecution'; and the holding of case conferences involving counsel (where instructed), the investigating police officer and the public prosecutor, to analyse the available evidence and explore ways of overcoming any difficulties which may exist.

In conclusion, the Inspectorate welcomed the steps already taken to improve how sexual violence and abuse cases were handled. Further improvements however can and should be made, to ensure victims of sexual violence and abuse experience the best possible service from the justice system in these demanding circumstances.



## **Magilligan Prison**

CJI and Her Majesty's Inspectorate of Prisons reported in September 2010 on the conditions and outcomes for prisoners at Magilligan Prison. The report recognised improvements since the Inspectorates last announced inspection was carried out in 2004.

The joint inspection found a number of significant improvements both in terms of the general regime provided for prisoners and the upgrading of facilities that had taken place during the intervening period.

Two new residential units and a health care building had been opened and safety at Magilligan had improved with few reported incidents of violence. The care for those at risk of self-harm was good and security was more proportionate.

Inspectors also welcomed the satisfactory quality of education, skills and work opportunities available for prisoners and the quality of the teaching, training and learning provided at the prison.

Outcomes for prisoners at Magilligan Prison were found to be 'reasonably good' in each of the four categories of safety, respect, purposeful activity and resettlement. This represented an improvement in performance since 2004 and again since 2006, when a previous unannounced inspection of the prison had been carried out.

The report also identified a number of barriers to further progress and development at Magilligan Prison which included poor industrial relations. At the time the fieldwork for this inspection occurred in late March and early April 2010, industrial action by the Northern Ireland Prison Officers' Association was seriously limiting both prisoners' time out of cell and access to purposeful activity.

The overall physical environment at Magilligan Prison – including the continued use of the original house blocks which are difficult to supervise and inhibit good contact between staff and prisoners – has also been identified as a barrier to further progress. Inspectors found some of the accommodation to be of a good standard, but despite improvements, the original house blocks were unfit for purpose, with an unsatisfactory night sanitation system.

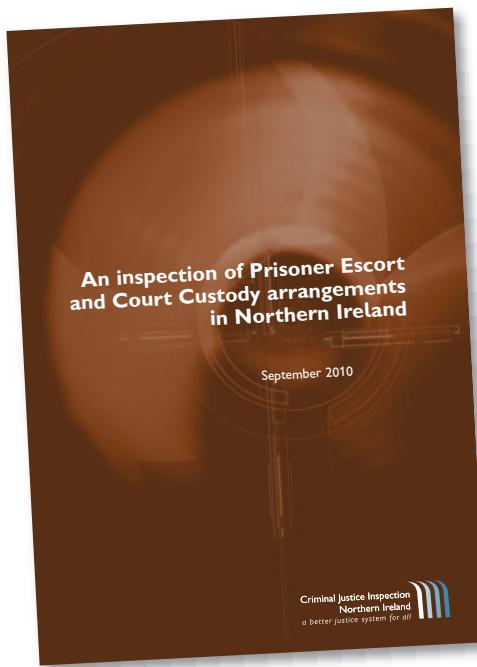
CJI's Dr Michael Maguire and Dr Ian Cameron participated in this inspection alongside colleagues from Her Majesty's Inspectorate of Prisons, the Education and Training Inspectorate and the Regulation and Quality Improvement Authority.

## **An inspection of Prisoner Escort and Court Custody arrangements in Northern Ireland**

In October 2010 CJI published its inspection of Prisoner Escort and Court Custody arrangements in Northern Ireland.

The inspection reviewed the escorting services provided by the Northern Ireland Prison Service (NIPS), the PSNI, private contractors and the custody suites of the Northern Ireland Courts and Tribunals Service (NICTS) to assess the quality and efficiency of service provided.

The inspection reported that in the main the basic needs of prisoners are met and the escort service provided to the Courts Service is acceptable. However, the quality of court facilities varied from



very good to poor and prisoners' conditions during transport and custody could be improved.

The main provider, Prisoner Escorting and Court Custody Service (PECCS), was well managed, staff displayed a good attitude and there was a basic level of performance management information.

One highlight identified in the inspection was the increasing provision of video link hearings for prisoners on remand. The report recommended the extension of this service to dedicated courts, thus reducing the cost of custody staff.

On the other hand, the approach to risk assessment, static security and handcuffing was inconsistent and prisoners expressed concerns about safety and comfort during transport in cellular vehicles.

Comparisons showed that the approach to prisoner risk assessment by the NIPS denied prisoners here some basic amenities, such as reading materials and hot drinks, enjoyed by their counterparts in England and Wales.

Direct comparisons with other providers was difficult as there are four separate suppliers in Northern Ireland. This in itself suggested that

further economies of scale could be achieved if these services were provided by a single supplier.

As an example, the costs of escorting and court custody by PSNI officers indicated that at the very minimum, a saving of £700,000 per annum could be achieved by outsourcing. Similarly, outsourcing the escorting and custody service provided by the PECCS could provide the opportunity to transfer the risk of sick absence costs of almost £300,000 per annum as well as benefitting from economies of scale.

The quality of the court custody infrastructure was variable and in the worst instances, was not fit-for-purpose. In the worst cases, there were no separate facilities for interviews, staff amenities were very poor and the vehicle docking arrangements were not adequate. The report recognised that it would not be easy to improve the court infrastructure and recommended a strategic review of the courts estate to identify possible rationalisation.

Two private suppliers, Resource and G4S, were at the time of publication, contracted to provide prisoner escort services to the Youth Justice Agency and the United Kingdom Border Agency. The inspection revealed that the service provided met the contracted standard in both instances and compared favourably with the services provided by the PECCS and the PSNI.

This inspection was led by CJI's Stephen Dolan assisted by Rachel Lindsay.

### **An inspection of the handling of sexual offence cases by the justice system in Northern Ireland: Donagh sexual abuse cases inspection**

In November 2010, CJI reported on how the criminal justice agencies in Northern Ireland had handled sexual offence cases/charges against the McDermott brothers from Donagh, Co. Fermanagh.

This inspection was conducted at the request of the Minister of Justice, David Ford MLA. It was complemented by a simultaneous inspection by the Regulation and Quality Improvement Authority into the Western Health and Social Care Trust's handling of the cases, which was commissioned by the Health Minister Michael McGimpsey MLA.

The inspection, led on behalf of CJI by Tom McGonigle and Deputy Chief Inspector Brendan McGuigan, examined the investigation, prosecution, management and disposal of the cases against the brothers.

A vital dimension of the inspection was to understand the views of survivors and the wider community in Donagh on their experience of the justice system. The survivors and their community representatives were closely involved and assisted significantly in helping us understand their perspective.

There were a number of key findings identified as a result of the inspection. CJI found that the PSNI investigation was thorough and the Investigating Officer was reported by survivors to be professional and sensitive to their needs. A review of the PPS case files showed the decision-making and handling of this complex case was sound.

In addition the report indicated that administrative errors by the NICTS did not have any material effect on the case outcomes. Subsequent to the errors being identified, the Courts Service undertook an extensive review of causal factors and implemented arrangements to ensure they would not happen again.

The CJI team also found that public protection arrangements worked as would be expected and there was good co-operation and communication between the criminal justice agencies.

Despite these positive findings, the inspection report highlighted the lack of a structured, formal opportunity for the survivors or community to deal with the impact of having serious sex offenders continuing to reside in a close-knit community after they were found to have committed sustained abuse against local children.

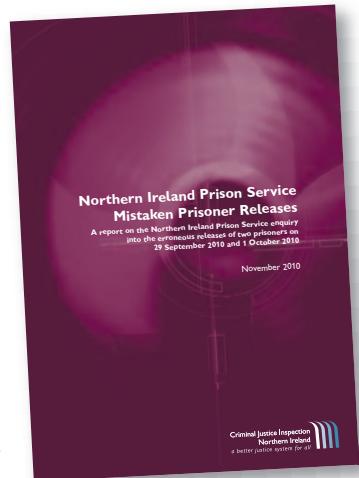
Ultimately, there was a clear mismatch between the official view that the McDermott brothers were best located in Donagh, and the survivors/community expectation that they would be removed once the court case had concluded.

The main conclusion of the inspection report was that meeting the needs of survivors and their communities will always be a challenge and further improvements are required in this area.

### **Northern Ireland Prison Service mistaken prisoner releases**

CJI published the findings of an independent assessment of the NIPS's enquiry into the release of two prisoners in error in November 2010.

The inspection was undertaken at the request of the Minister of Justice, David Ford MLA. It followed the release of Devidas Paliutis from Maghaberry Prison and Connelly Cummins from Downpatrick Court in September and October 2010.



In order to discharge its role in providing an independent view on the NIPS enquiry, Derek Williamson from the CJI Inspection Team attended all core enquiry team meetings. The Inspectorate was invited to comment on all aspects of the enquiry and provided oversight, challenge and scrutiny on all deliberations, as appropriate.

Among the specific issues raised during the course of the NIPS enquiry was the need to ensure that the NICTS appointed a liaison officer for the enquiry and for additional risk based sampling checks to be carried out. It also identified a need to ensure that the system errors uncovered from initial enquiries were learned across the NIPS estate and not just in Maghaberry Prison.

All suggestions for further work were accepted by the NIPS enquiry team.

The findings of the CJI report indicated it was content that the Prison Service enquiry had delivered what was required to meet its Terms of Reference.

The enquiry subsequently made a number of recommendations, which were agreed by CJI and Inspectors noted they were encouraged by the freshness in approach to these recommendations.

One particular area of concern highlighted in the report related to the delays by the NIPS in undertaking a disciplinary investigation relating to the release of Mr Cummins from Downpatrick Court.

In conclusion CJI recommend that a follow-up inspection be carried out six to 12 months after the publication of their initial report. This is to monitor and review the implementation of the Prison Service enquiry team recommendations.

### **Domestic violence and abuse**

A new inspection by CJI published towards the end of 2010 examined in detail how domestic violence and abuse cases are investigated, prosecuted and disposed of by the criminal justice agencies.

The inspection which was led by Rachel Lindsay and Dr Ian Cameron revealed that domestic violence and abuse is a significant problem in



Northern Ireland with police officers responding to 24,482 domestic violence and abuse incidents in 2009-10. This figure equates to one incident being reported every 21 minutes.

The inspection identified

improvements in the manner in which domestic violence and abuse incidents were handled in Northern Ireland. This was evidenced by a growing recognition of the need to understand the issues around domestic violence and abuse and to take action when incidents occur.

CJI Inspectors also identified some good practice including the links between the justice agencies and the voluntary and community sector and in particular, the service provided by PSNI Domestic Abuse Officers.

The 13 recommendations made in the report included steps to improve consistency of investigation by ensuring police supervisors proactively review the approach taken by officers.

Inspectors also encouraged the PSNI to review the role and skills of Domestic Abuse Officers and consider the need for a proportion of officers working in this area to be trained to a higher investigative level.

The report found that all prosecutors within the PPS had undertaken training on domestic violence and abuse cases and that specialist prosecutors had recently been appointed. Prosecutors dealt with large volumes of cases with a domestic motivation and in just over half of the cases (52.9%) in 2008-09, a 'no prosecution' decision was taken.

This figure is impacted on by a high number of victims withdrawing their support for the prosecution and, in many cases, lack of evidence other than the victims' statement.

CJI welcomed the PPS's 2008 review to establish how its policy for prosecution cases of domestic violence was being implemented. Inspectors recommended the PPS continue to review cases where a 'no prosecution' decision has been made. This should be carried out in an effort to establish whether actions could be taken, where appropriate with the police, to improve the likelihood of the Test for Prosecution being met.

The report acknowledged the roll-out of the Multi-Agency Risk Assessment Conference as a positive step in supporting victims. However, it recommended this be enhanced through the involvement of a properly resourced Independent Domestic Violence Advisor service to address the safety of victims at high risk of harm.

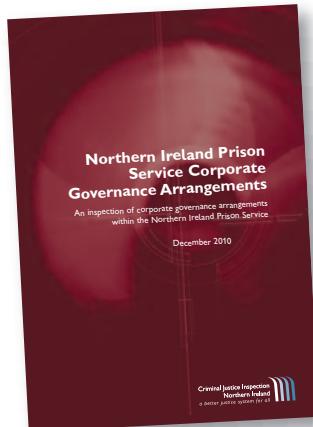
This inspection report was published in December 2010.

### **Northern Ireland Prison Service corporate governance**

During the 2010-11 financial year CJI published the findings of an in-depth inspection of corporate governance and accountability arrangements within the NIPS.

It also looked at issues related to performance management, organisational culture and service delivery, staffing and working practices, and the challenges the organisation faces in delivering a modern, efficient and effective prison service.

Over the past number of years, joint reports by CJI and Her Majesty's Inspectorate of Prisons have



shown a series of deep problems around delivering better outcomes for prisoners in terms of time out of cell, access to work, education and other purposeful activity. These reports have also identified a need for a more constructive form of engagement between prisoners and prison officers.

The inspection found that crucial matters such as dealing with critical inspection reports, working practices and industrial relations difficulties were not explicitly recognised in a way that enabled meaningful change within individual prisons.

It also indicated that performance management and accountability needed to be strengthened within the NIPS. In addition the report addressed a range of localised restrictive working practices which increase costs and had a cumulative impact in undermining the capacity of the NIPS to deliver an effective regime.

CJI's report highlighted a clear need to address change across a number of areas. This included the need for a clear statement of purpose as to what society wants the NIPS to achieve and a more robust approach to governance and accountability.

It also indicated that there was a need to develop organisational culture and behaviours that focus on a more pro-active engagement between officers and prisoners and an industrial relations climate that is supportive of change.

Inspectors suggested that the implementation of staffing and working practices that support the implementation of a progressive, cost-effective and purposeful regime for prisoners was required along with the rationalisation of recommendations into a focussed and manageable programme.

This inspection carried out by Dr Michael Maguire, Dr Ian Cameron, Stephen Dolan and Tom McGonigle, was published in December 2010.

## Action Plan Reviews/Inspection Follow-Up Reviews

### Youth Conference Service

In April 2010 CJI published its review of the Youth Conference Service following up on its original inspection which was published in February 2008.

The findings of the review were generally positive. Inspectors found that eight of the 14 recommendations had been fully achieved, four were partially achieved, whilst two were incomplete with little prospect of implementation in the short to medium term.

The key recommendation which called for a system wide review of current practices within youth offending had been completed. This recommendation was aimed at developing a clearer, more integrated system.

The result of the review had been a close partnership being developed between the Youth Conference Service and the Probation Board for Northern Ireland to implement a two-year priority youth offending pilot that places restorative practice at its core.

In line with one of the other recommendations, the Youth Conference Service had secured appropriate training for staff who deal with sexually offending behaviour and better provision of information to conference co-ordinators to enable them to formulate effective conference plans for young people.

Progress was still required in relation to victims and Youth Conference Service staff being made aware of the reasons why directing lawyers in youth cases had recommended a particular course of action.

However, CJI intends to return to this issue in the future during a planned inspection of the giving of reasons and communication with victims and witnesses.

This follow-up review was conducted on behalf of CJI by William Priestley.

### Belfast Harbour Police

A review of how Belfast Harbour Police had progressed the 13 recommendations made in CJI's first inspection report (published in May 2008) was carried out by the Inspectorate during the last financial year.

William Priestley from CJI's Inspection Team found that seven of the 13 recommendations had been completed. Of the remaining six, one which required the bringing forward of legislation to clarify and extend the powers of Belfast Harbour Police in certain circumstances, was being progressed by the Department for Transport by promoting a Bill through Parliament.

The other five recommendations had shown substantial progress and Inspectors' assessment

was that four of these would be completed during 2010. Delays had, in the most part been due to the loss of a key project lead for almost a year and operational issues having taken priority.

The small size of Belfast Harbour Police had meant that contingency plans to enable some of the projects to be delivered had only been partly successful.

The most notable area of continued development was the progress of a recommendation to develop and agree an overarching protocol with the PSNI.

Whilst there had been much progress in some areas, for example, in intelligence sharing, a comprehensive protocol had not been agreed at the time of the review.

Inspectors recommended at the time the review was published in May 2010 that work should continue to deliver an agreed, comprehensive and overarching protocol. This has subsequently been delivered.

As part of the protocol, a Belfast Harbour Interoperability Group (BHIG) and a joint strategic group which meets twice yearly have been established.

### Royal Mail Group

A review of how the Royal Mail Group implemented recommendations made in an original CJI inspection report (published in July 2008) found that six of the seven recommendations were the responsibility of the Royal Mail Group to implement.

The review found that of the six recommendations, two had been fully completed whilst four were partially complete. The seventh recommendation made in the original report with regard to the giving of reasons by directing lawyers, will form part of a separate full inspection to be carried out by CJI at a later date.

The four recommendations assessed as being partially complete had required close partnership work with the PSNI and the PPS to enable Royal Mail to complete them.

Inspectors noted there had been good progress with these recommendations but finalising them had taken much longer than anticipated due to competing priorities.

The main recommendation was for Royal Mail Group to establish a direct submission path for its cases to the PPS and to develop a Service Level Agreement in respect of this process.

It was Inspectors' assessment that Royal Mail Group should be able to complete the recommendations during 2010-11 and that due to the progress made with all the recommendations no further follow-up review would be required.

This review, was led by William Priestley and published in June 2010.

### Hate crime

During the financial year CJI returned to the topic of how hate crime is managed by the criminal justice system in Northern Ireland.

The follow-up review tracked the progress made since 2007 when the Inspectorate published its initial assessment of hate crime in Northern Ireland.

It found that 12 of the 19 recommendations made by CJI in its initial report had been fully achieved. The review welcomed the work that had been undertaken across the criminal justice system to fully complete these recommendations, and commended the PSNI for achieving the five inspection recommendations it had specific responsibility for.

During the inspection review, which was led on behalf of CJI by Deputy Chief Inspector Brendan

McGuigan, the Inspection Team found excellent examples of criminal justice agencies, government departments, public bodies and other groups working together to improve the management of hate crime.

They included the establishment of a tension monitoring group within Belfast Community Safety Partnership to identify potential or actual tensions within communities. It also involved the *Unite against Hate* campaign, which brings together a range of sporting organisations and local personalities, to raise awareness of hate crime, encourage reporting of hate incidents and challenge attitudes.

Inspectors were however disappointed to find that in other areas, progress had been slow and a number of key recommendations had not been achieved.

Of particular concern was the fact that a common definition of what a hate crime is had only recently been agreed by the criminal justice system and that a hate crime strategy had still to be developed.

Inspectors felt this absence of strategic focus was worrying and had the potential to undermine the progress that had been made since 2007 to reach out to minority groups and victims of hate crime.

Inspectors urged the PPS to work to fully achieve CJI's 2007 recommendation that where evidence exists, all incidents of hate crime are prominently marked on prosecution files and this information is brought to the attention of the court.

They also urged the criminal justice system to implement a process where the use of hate crime legislation is recorded by the PPS and the NICTS so monitoring can occur.

Since the publication of CJI's original inspection of the management of hate crime, three critical incidents occurred in 2009 which projected a

negative image of Northern Ireland on a world stage.

They included the intimidation of Polish and eastern European residents in south Belfast following an international football match, the sectarian murder of a man in Coleraine, and the intimidation of Roma families.

While recorded hate crimes may represent less than two per cent of all recorded crime in Northern Ireland, Inspectors believe the importance to this issue cannot be underestimated.

It is therefore vital the criminal justice system reacts to such incidents in a pro-active and timely manner.

This review was published in July 2010.

### Road Policing

A review of road policing in Northern Ireland assessed the work undertaken by the PSNI to progress eight of the nine recommendations which it had responsibility for that were included in CJI's original 2008 inspection report.

The original inspection report - which aimed to strengthen the way road policing was managed and implemented - recommended that the PSNI should implement the speed thresholds applied in England and Wales.

While Inspectors would have wished to see a quicker response to this recommendation they commended the PSNI for the steps it has taken and the introduction of driver education and speed awareness courses as an option for motorists who are detected committing lower level speeding offences.

CJI welcomed the increase in co-operation and engagement between PSNI officers and colleagues from An Garda Síochána. The review which was published in November 2010,

acknowledged the positive relationships that had developed between the two policing services and the joint operations that had been carried out with the aim of improving road safety in the border areas.

Inspectors were however disappointed to find that a properly resourced unit to investigate fatal and serious collisions had only recently been set up by the PSNI.

They recommended the resourcing of the new unit should be monitored on an ongoing basis to ensure that if an increase in the number of fatal and serious road traffic collisions occurs, the unit will have the capacity to carry out additional investigations.

Inspectors also suggested that should there be a desire to lower the drink drive limit in Northern Ireland, this should be done simultaneously with the Republic of Ireland where legislation has already been passed to lower the legal limit to 50mgs from September 2011.

Deputy Chief Inspector Brendan McGuigan conducted this follow-up review on behalf of CJI.

# Remuneration Report

## Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010-11 and 2011-12 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint.

The pay system in place for senior civil servants in the Northern Ireland Civil Service is currently under review.

## Service Contracts

Directly recruited appointments are made in accordance with the Civil Service Commissioners' for Northern Ireland's 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.

## Remuneration

(audited information)

	2010-11			2009-10		
	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)
Dr M Maguire Chief Inspector (1 Sept 2008 – present)	110 - 115	-	-	110 - 115	-	-
Mr B McGuigan Deputy Chief Inspector & Chief Executive	65 - 70	-	-	65 - 70	-	-

The Chief Inspector was appointed by the Secretary of State for Northern Ireland for an initial period of three years, with the option to be considered for re-appointment for a second term up to a maximum of five years at a time. The appointment of the Deputy Chief Inspector and other members of staff 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.nicommissioners.org](http://www.nicommissioners.org)

## Salary and Pension Entitlements

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

## Salary

This presentation is based on gross salary payments made by CJI and thus recorded in these accounts.

## Pensions Entitlements

(audited information)

Name	Accrued pension at pension age as at 31/03/11 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/11 £'000	CETV at 31/03/10 <sup>3</sup> £'000	Real increase in CETV £'000	Employer contributions to partnership pension account Nearest £100
Dr M Maguire	5 - 10	2.5 - 5	73	43	24	-
Mr B McGuigan	5 - 10	0 - 2.5	142	128	13	-

Pension benefits for the Chief Inspector are provided through the Civil Service Pension arrangements and for the Deputy Chief Inspector and Chief Executive through the Northern Ireland Civil Service Pension arrangements, administered by Civil Service Pensions (CPS).

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 30 July 2007 are eligible for membership of the **nuvos** arrangement or they can opt for a partnership pension account. **Nuvos** is an ‘earned pension’ 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%. Earned pension benefits are

increased annually in line with increases in the CPI. For 2011, public service pensions will be increased by 3.1% with effect from 11 April.

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final 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

<sup>3</sup> The actuarial factors used to calculate CETVs were changed in 2010-11. The CETV at 31/3/10 and 31/3/11 have both been calculated using the new factors for consistency. The CETV at 31/03/10 therefore differs from the corresponding figure shown in last year’s report which was calculated using the previous factors.

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 already 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 Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

### 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 CPS arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional

pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in the demographic assumptions and the move from the Retail Price Index (RPI) to the Consumer Price Index (CPI) as the measure used to up rate Civil Service pensions. This means that the CETV in this year's report for 31/03/10 will not be the same as the corresponding figure shown in the last year's report.

Following the devolution of policing and justice functions to the Northern Ireland Assembly on 12 April 2010, the pension arrangements for Mr B McGuigan transferred from the Principal Civil Service Pension Scheme (PCSPS) to the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)]. Mr B McGuigan has elected not to transfer his existing pension benefit accrued in the PCSPS up to 12 April 2010 to the PCSPS (NI), however, future pension accrual from will arise in the PCSPS (NI).

For the purpose of disclosure, information for CETV at 31 March 2010 is stated as was reported in the Remuneration Report within the Annual Report to 31 March 2010. CETV at 31 March 2011 has been calculated as the amount as at 31 March 2010, plus the value that has been accrued within PCSPS (NI) during the year. Similarly, the Accrued Pension as at 31 March 2011 and the related sum have also been calculated as the amount that was reported in the Remuneration Report within the Annual Report to 31 March 2010 plus the value that has been accrued within PCSPS (NI) during the year.

### **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 52).

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

There were no staff departures during 2010-11 where compensation or pension was paid (2009-10 - nil).



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**Brendan McGuigan**

Chief Executive and Accounting Officer

23 June 2011

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

Under paragraph 6 of Schedule 8 of the Justice (Northern Ireland) Act 2002 as amended by paragraph 24 of Schedule 13 to the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, 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 Department 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 Department 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 corporate governance and accountability framework arrangements including Managing Public Money Northern Ireland issued by the Department of Finance and Personnel and the Department of Justice.



**Brendan McGuigan**

Chief Executive and Accounting Officer

23 June 2011

# Statement on Internal Control

## Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CJI's policies, aims and objectives, while safeguarding the public funds and CJI's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland. CJI's constitution is governed by a management statement and financial memorandum agreed with the Department of Justice.

The accountability arrangements within CJI encompass quarterly meetings with its sponsor Department, twice monthly Senior Management Team meetings and four Audit and Risk Committee meetings per year.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed:

- to identify and prioritise the risks to the achievement of CJI's policies, aims and objectives,
- to evaluate the likelihood of those risks being realised and the impact should they be realised; and

- to manage them efficiently, effectively and economically.

The system of internal control has been in place in CJI for the year ending 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

## Capacity to handle risk

Responsibility for risk management within CJI rests with the Business Manager who has attended and will attend future risk management training and seminars to keep up to date with developments within that sector of management. A risk management strategy has been developed and communicated to all staff within CJI who have received training to manage risks in a way appropriate to their responsibilities and duties. Appropriate procedures are in place to ensure that CJI has identified its objectives and risks and put in place measures to mitigate as far as possible the significant risks. A review of the CJI risk register is carried out four times a year and any new risks or changes to existing risks are recorded and reported to the Audit and Risk Committee. The Senior Management Team ensures that the implementation of agreed control measures takes place and reports progress to the Audit and Risk Committee.

## The risk and control framework

The CJI Internal Auditor provides me with a report on internal audit activity each year. The report includes the Internal Auditor's independent

opinion on the adequacy and effectiveness of CJI's system of internal control with recommendations for improvement.

CJI maintains a Corporate Risk Register which includes all identifiable risks and prioritises them by likelihood and impact. Each risk has been assigned an owner who was responsible for ensuring that the necessary actions were taken within a timescale. The Risk Register was reviewed and updated accordingly.

Independently of the Risk Register, each inspection is subject to a risk assessment and these risks are managed by the Lead Inspector and monitored by the Deputy Chief Inspector.

The control framework is supported by:

- an Audit and Risk Committee, which is chaired by an independent member, assesses the continued appropriateness of risks, and the means through which they are managed. The need to add, delete, relegate or promote risks is also determined in order to reflect the current business environment;
- the examination of financial management reports produced by Financial Services Division of the Department of Justice;
- the review of financial procedures including the segregation of duties in particular in connection with payment processing;
- an established system of financial planning and budgeting with the annual budget agreed with the Department of Justice; and
- a report by the internal auditors appointed by CJI who carried out an audit of its systems in February 2011.

### **Review of Effectiveness**

As Accounting Officer for CJI, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, comments made by the external auditors in their management letter, and other reports and work of the executive managers within CJI who have a

responsibility for the development and maintenance of the internal control framework.

Current systems in place include the following:

- a corporate and business plan against which performance is monitored by the management team at monthly meetings;
- regular reviews by senior management of risks at all levels within CJI;
- annual internal audit reviews conducted by independent auditors to test the adequacy and effectiveness of systems of internal control as defined in the Government Internal Audit Manual; and
- oversight of CJI by an Audit Committee that meets four times each year.

In addition to the above on the advice of CJI's Internal Auditors I have put in place a plan and assigned responsibility to appropriate officers to implement improvements to the systems in place. The improvements include:

- accreditation to ISO 9001:2008 and an internal audit and continuous improvement process to maintain the standards for all CJI processes;
- attainment by all CJI staff of the Cabinet Office Level 1 certificate in protecting information;
- additional controls governing Annual Leave requests;
- reiteration of guidance on procurement and single tender actions; and
- revision of the CJI Risk Management Policy.

### **Significant internal control issues**

CJI achieved a satisfactory assurance level from internal audit and there were no significant internal control issues.



**Brendan McGuigan**

Chief Executive and Accounting Officer

23 June 2011

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

I certify that I have audited the financial statements of the Chief Inspector of Criminal Justice for the year ended 31 March 2011 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 Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 the Chief Inspector of Criminal Justice's and the 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 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 the Chief Inspector of Criminal Justice's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Inspector of Criminal Justice; 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. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### **Opinion on Regularity**

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

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view, of the state of the Chief Inspector of Criminal Justice's affairs as at 31 March 2011 and of its 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; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

### **Report**

I have no observations to make on these financial statements.




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KJ Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 IEU

28 June 2011

# Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

	Note	2010-11 £	2009-10 restated £
<b>Expenditure</b>			
Staff costs	<b>3</b>	915,562	879,321
Depreciation and amortisation	<b>4</b>	69,404	62,124
Other expenditures	<b>4</b>	506,789	487,262
		<hr/> <hr/> 1,491,755	<hr/> <hr/> 1,428,707
<b>Other comprehensive expenditure</b>			
Net loss/(gain) on revaluation of property, plant and equipment	<b>6</b>	3,439	(8,255)
Net loss/(gain) on revaluation of intangibles	<b>7</b>	98	(4,319)
<b>Total comprehensive expenditure for the year ended 31 March 2011</b>		<hr/> <hr/> 1,495,292	<hr/> <hr/> 1,416,133

The notes on pages 52 to 65 form part of these accounts.

## Statement of Financial Position as at 31 March 2011

	<b>Note</b>	<b>2011</b> £	<b>2010</b> £
<b>Non-current assets:</b>			
Property, plant and equipment	<b>6</b>	246,205	282,861
Intangible assets	<b>7</b>	19,137	24,925
<b>Total non-current assets</b>		<b>265,342</b>	<b>307,786</b>
<b>Current assets:</b>			
Trade and other receivables	<b>9</b>	20,483	14,321
Cash and cash equivalents	<b>10</b>	156,265	184,175
<b>Total current assets</b>		<b>176,748</b>	<b>198,496</b>
<b>Total assets</b>		<b>442,090</b>	<b>506,282</b>
<b>Current liabilities:</b>			
Trade and other payables	<b>11</b>	192,553	202,849
<b>Total current liabilities</b>		<b>192,553</b>	<b>202,849</b>
<b>Assets less liabilities</b>		<b>249,537</b>	<b>303,433</b>
<b>Taxpayers' equity:</b>			
Revaluation reserve		33,692	43,749
General reserve		215,845	259,684
		<b>249,537</b>	<b>303,433</b>

The financial statements on pages 48 to 51 were approved by the board on 7 June 2011 and were signed on its behalf by:



**Brendan McGuigan**  
Chief Executive and Accounting Officer  
23 June 2011

The notes on pages 52 to 65 form part of these accounts.

# Statement of Cash Flows for the year ended 31 March 2011

	Note	2010-11 £	2009-10 restated £
<b>Cash flows from operating activities:</b>			
Net expenditure		(1,491,755)	(1,428,707)
Depreciation and amortisation	<b>4</b>	69,404	62,124
Net loss/(gain) on revaluation	<b>4</b>	3,636	(1,455)
Loss on disposal of property, plant and equipment	<b>4</b>	320	56
Adjustments for notional personnel costs	<b>4</b>	6,396	6,393
(Increase)/decrease in trade and other receivables		(6,162)	3,214
(Decrease)/increase in trade payables		(10,296)	13,496
<b>Net cash outflow from operating activities</b>		<b>(1,428,457)</b>	<b>(1,344,879)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	<b>6</b>	(33,013)	(33,718)
Purchase of intangible assets	<b>7</b>	(1,440)	(13,792)
Proceeds of disposal of property, plant and equipment		-	240
<b>Net cash outflow from investing activities</b>		<b>(34,453)</b>	<b>(47,270)</b>
<b>Cash flows from financing activities:</b>			
Grant-in-aid from parent department	<b>5</b>	1,435,000	1,475,000
<b>Net financing</b>		<b>1,435,000</b>	<b>1,475,000</b>
<b>Net decrease/increase in cash and cash equivalents in the period</b>		<b>(27,910)</b>	<b>82,851</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10</b>	<b>184,175</b>	<b>101,324</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>156,265</b>	<b>184,175</b>

The notes on pages 52 to 65 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for year ended 31 March 2011

	Note	General Reserve restated £	Re-valuation Reserve £	Reserves Restated £
<b>Balance at 31 March 2009</b>		200,323	37,850	238,173
<b>Changes in taxpayers' equity for 2009-10</b>				
Net gain on revaluation of property, plant and equipment		-	8,255	8,255
Net gain on revaluation of intangible assets		-	4,319	4,319
Release of reserves to the Net Expenditure Account:				
Non-cash charges				
- notional personnel costs		6,393	-	6,393
Transfers between reserves		6,675	(6,675)	-
Retained Deficit		(1,428,707)	-	(1,428,707)
<b>Total recognised Income and expense for 2009-10</b>		<u>(1,415,639)</u>	<u>5,899</u>	<u>(1,409,740)</u>
Grant from Parent		1,475,000	-	1,475,000
<b>Balance at 31 March 2010</b>		<u>259,684</u>	<u>43,749</u>	<u>303,433</u>
<b>Changes in taxpayers' equity for 2010-11</b>				
Net gain on revaluation of property, plant and equipment		-	(3,439)	(3,439)
Net gain on revaluation of intangible assets		-	(98)	(98)
Release of reserves to the Net Expenditure Account:				
Non-cash charges				
- notional personnel costs		6,396	-	6,396
Transfers between reserves		6,520	(6,520)	-
Retained Deficit		(1,491,755)	-	(1,491,755)
<b>Total recognised Income and expense for 2010-11</b>		<u>(1,478,838)</u>	<u>(10,057)</u>	<u>(1,488,895)</u>
Grant from Parent	5	1,435,000	-	1,435,000
<b>Balance at 31 March 2011</b>		<u>215,845</u>	<u>33,692</u>	<u>249,538</u>

The notes on pages 52 to 65 form part of these accounts.

# Notes to the Accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 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.

## Notes to the Accounts (continued)

### e) Notional personnel costs

The accounts include a notional charge in respect of services provided by the Department of Justice on behalf of CJI. The calculation is based on a formula for unit cost per person multiplied by CJI's staff numbers.

### f) Grant-in-aid

CJI is funded by Grant-in-Aid from the Department of Justice, request for resources 1. Grant-in-aid matches CJI's cash needs, is accounted for on a cash basis as financing and is reflected in Taxpayers' Equity.

### g) 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.

### h) Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis to write off the cost or valuation less any residual value over the asset's expected useful economic 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.

### i) Intangible assets

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

Software 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.

# Notes to the Accounts (continued)

## k) Revaluation reserve

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

## l) Financial instruments

### l.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 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.

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

### l.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.

## m) Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2011

Chapter in FReM 2010-11	Area affected	Description of revision	Comments
11	Income and Expenditure	The removal of Cost of Capital charging from accounts.	Applies to all public sector bodies. Guidance issued by HM Treasury meant that this change was budgetary neutral. No impact on CJI other than disclosure.  2009-10 comparatives have been restated accordingly to exclude cost of capital charges. Prior year expenditure included within Net Operating Cost decreased by £4,484 as a result of this restatement. The decrease was off-set by a corresponding reduction in the level of notional charges against the General Fund. Further details are contained in Note 16.

CJI has reviewed the remaining standards, interpretations and amendments to published standards that became effective during 2010-11 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the organisation.

## Notes to the Accounts (continued)

### n) Accounting standards, interpretations and amendments to published standards not yet effective

CJI has reviewed the additional or revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2011-12 and considers that these changes are not relevant to its operations.

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2011 or later periods, but which CJI has not adopted early. Other than as outlined in the table below, CJI considers that these standards are not relevant to its operations.

<b>Standard</b>	<b>Description of revision</b>	<b>Application date</b>	<b>Comments</b>
IAS 24	Related Party Disclosures - Revised definition of related parties	Annual periods beginning on or after 1 January 2011	Inclusion of a partial exemption for government-related entities. Given that the FReM interprets the related party requirements significantly to reduce the disclosure on transactions between public sector entities it is unlikely that this will have significant impact.

### 2. Analysis of net expenditure by segment

In the opinion of the Management Board, CJI operates only one reportable segment and all income and expenditure as shown in the Statement of Comprehensive Net Expenditure is attributable to the overall services provided by CJI. All CJI's financing is derived from the 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:

	<b>2010-11</b>	<b>2009-10</b>
	£	£
<b>Permanently employed staff</b>		
Wages and salaries	717,194	681,852
Social security costs	63,837	59,941
Other pension costs	134,531	136,552
Total permanently employed staff costs	<hr/> 915,562	<hr/> 878,345
<b>Other staff</b>		
Temporary staff costs	-	976
<b>Total staff costs</b>	<b><hr/>915,562</b>	<b><hr/>879,321</b>

## **Notes to the Accounts (continued)**

### **3. Staff numbers and related costs (continued)**

#### **Pension arrangements**

For 2010-11 employers' contributions of £113,713 (2009-10:£115,734) were payable to PCSPS (NI) at one of four rates in the range of 16.5% to 23.5% (2009-10: 16.5% to 23.5%) The scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

Additional pension contributions of £20,818 were paid in the year (2009-10: £20,818 for the period 1 April 2009 to 31 March 2010) on behalf of the Chief Inspector to the Principal Civil Service Pension Scheme (PCSPS) Nuvos pension scheme.

The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The remuneration report on page 39 to 42 contains detailed pension information.

#### **Average number of persons employed**

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

	<b>2010-11</b>	<b>2009-10</b>
<b>Permanently employed staff</b>		
Management	2.00	2.00
Inspectors	7.27	6.83
Inspection Support	0.67	1.42
Media and Communications	1.33	1.00
IT Systems Administrator	1.00	1.00
Business Support	2.5	2.66
Personal Assistant	1.00	1.00
<b>Temporary staff</b>	-	-
<b>Total</b>	<b>15.77</b>	<b>15.91</b>

## Notes to the Accounts (continued)

### 4. Other Expenditure

	2010-11	2009-10 restated
	£	£
Accommodation	114,912	110,765
Printing, stationery, postage and publications	76,432	91,032
Rentals under operating leases		
- Buildings	78,409	76,533
- Other	1,712	356
Inspections	88,083	68,643
Professional advisers	37,534	40,760
Computer consumables	22,749	26,299
Travel and subsistence	10,647	15,311
Training	19,951	14,169
Conference fees	13,518	13,547
Auditor remuneration - audit fees	11,500	9,700
Other equipment and expenses	13,870	7,078
Repairs and maintenance	5,915	6,813
Hospitality	1,205	1,262
Non-cash items		
Loss on disposal of property, plant and equipment	320	56
Net loss/(gain)on revaluation	3,636	(1,455)
Notional personnel costs	6,396	6,393
	<hr/>	<hr/>
	506,789	487,262
Other non-cash items		
Depreciation and amortisation	69,404	62,124
<b>Total</b>	<b><u>576,192</u></b>	<b><u>549,386</u></b>

### 5. Grant-in-aid

	2010-11	2009-10
	£	£
Grant-in-aid received from the Department of Justice, Request for resources 1, for revenue expenditure	1,435,000	1,427,490
Grant-in-aid received from the Department of Justice, Request for resources 1, for capital expenditure	-	47,510
<b>Total Grant-in-aid received</b>	<b><u>1,435,000</u></b>	<b><u>1,475,000</u></b>

## Notes to the Accounts (continued)

### 6. Property, plant and equipment

2010-11	Refurbish- ment Costs	Furniture and Fittings	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2010	466,234	38,261	30,622	90,602	625,719
Additions	-	-	2,227	30,786	33,013
Disposals	-	-	-	(20,334)	(20,334)
Revaluation	(4,289)	(352)	1,502	(7,008)	(10,147)
<b>At 31 March 2011</b>	<b>461,945</b>	<b>37,909</b>	<b>34,351</b>	<b>94,046</b>	<b>628,251</b>
<b>Depreciation</b>					
At 1 April 2010	260,717	13,938	21,188	47,015	342,858
Charged in year	45,855	2,551	4,605	10,591	63,601
Disposals	-	-	-	(20,014)	(20,014)
Revaluations	(2,820)	(152)	1,180	(2,607)	(4,399)
<b>At 31 March 2011</b>	<b>303,752</b>	<b>16,337</b>	<b>26,973</b>	<b>34,985</b>	<b>382,046</b>
<b>Net book value at 31 March 2011</b>	<b>158,193</b>	<b>21,572</b>	<b>7,378</b>	<b>59,061</b>	<b>246,205</b>
<b>Net book value at 31 March 2010</b>	<b>205,517</b>	<b>24,323</b>	<b>9,434</b>	<b>43,587</b>	<b>282,861</b>

CJI owns all its assets and had no finance leases or PFI contracts in the current or prior year.

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.

## Notes to the Accounts (continued)

### 6. Property, plant and equipment (continued)

2009-10	Refurbish- ment Costs	Furniture and Fittings	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2009	467,111	37,102	29,034	42,036	575,283
Additions	-	1,231	-	32,487	33,718
Disposals	-	-	-	(2,398)	(2,398)
Revaluation	(877)	(72)	1,588	(18,477)	(19,116)
<b>At 31 March 2010</b>	<b>466,234</b>	<b>38,261</b>	<b>30,622</b>	<b>90,602</b>	<b>625,719</b>
<b>Depreciation</b>					
At 1 April 2009	215,267	11,478	15,081	33,890	275,716
Charged in year	45,943	2,486	5,008	5,639	59,076
Disposals	-	-	-	(2,102)	(2,102)
Revaluations	(491)	(26)	1,099	9,588	10,170
<b>At 31 March 2010</b>	<b>260,719</b>	<b>13,938</b>	<b>21,188</b>	<b>47,015</b>	<b>342,860</b>
<b>Net book value at 31 March 2010</b>	<b>205,515</b>	<b>24,323</b>	<b>9,434</b>	<b>43,587</b>	<b>282,859</b>
<b>Net book value at 31 March 2009</b>	<b>251,844</b>	<b>25,624</b>	<b>13,953</b>	<b>8,146</b>	<b>299,567</b>

## Notes to the Accounts (continued)

### 7. Intangible fixed assets

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

**2010-11**

	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>	
At 1 April 2010	47,761
Additions	1,440
Revaluation	(3,412)
<b>At 31 March 2011</b>	<b>45,789</b>
<b>Amortisation</b>	
At 1 April 2010	22,836
Charged in year	5,802
Revaluations	(1,986)
<b>At 31 March 2011</b>	<b>26,652</b>
<b>Net book value at 31 March 2011</b>	<b>19,137</b>
<b>Net book value at 31 March 2010</b>	<b>24,925</b>

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.

## Notes to the Accounts (continued)

### 7. Intangible fixed assets (continued)

**2009-10**

	<b>Total</b>
	£
<b>Cost or valuation</b>	
At 1 April 2009	24,229
Additions	13,792
Disposals	-
Revaluation	9,740
<b>At 31 March 2010</b>	<b>47,761</b>
<b>Amortisation</b>	
At 1 April 2009	15,129
Charged in year	3,050
Disposals	-
Revaluations	4,657
<b>At 31 March 2010</b>	<b>22,836</b>
<b>Net book value at 31 March 2010</b>	<b>24,925</b>
<b>Net book value at 31 March 2009</b>	<b>9,100</b>

## **Notes to the Accounts (continued)**

### **8. 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.

### **9. Trade receivables and other current assets**

	<b>2010-11</b>	<b>2009-10</b>
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	20,483	14,321
	<hr/>	<hr/>
	20,483	14,321
	<hr/>	<hr/>

All trade receivables and other current assets are falling due within one year.

## Notes to the Accounts (continued)

### 10. Cash and cash equivalents

	2010-11 £	2009-10 £
Balance at 1 April	184,175	101,324
Net change in cash and cash equivalent balances	(27,910)	82,851
Balance at 31 March	<u>156,265</u>	<u>184,175</u>

The following balances at 31 March were held at:

Commercial banks and cash in hand	156,265	184,175
Balance at 31 March	<u>156,265</u>	<u>184,175</u>

### 11. Trade payables and other current liabilities

	2010-11 £	2009-10 £
<b>Amounts falling due within one year:</b>		
Trade payables	6,973	23,117
Accruals and deferred income	<u>185,580</u>	<u>179,732</u>
	<u>192,553</u>	<u>202,849</u>

There are no amounts falling due after more than one year.

### 12 Capital commitments

At 31 March 2011 there was no capital commitments contracted for (31 March 2010 – none).

### 13. Losses and special payments

There were no losses or special payments during the 12 months ended 31 March 2011 (31 March 2010 – none).

## Notes to the Accounts (continued)

### 14. 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.

	2010-11	2009-10 restated
	£	£
<b>Buildings:</b>		
Not later than one year	78,553	78,138
Later than one year and not later than five years	163,652	240,923
Later than five years	-	-
	<hr/> <u>242,205</u>	<hr/> <u>319,061</u>
<b>Other:</b>		
Not later than one year	1,191	700
Later than one year and not later than five years	1,192	3,027
Later than five years	-	-
	<hr/> <u>2,383</u>	<hr/> <u>3,727</u>

#### Finance leases

There were no finance lease commitments at 31 March 2011 (31 March 2010 – none).

## Notes to the Accounts (continued)

### 15. 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 and HM Chief Inspector Crown Prosecution Service Inspectorate.

No Management Board member, key manager or other related party has undertaken any material transactions with CJI during the year ended 31 March 2011.

### 16. Prior Year Adjustment

Guidance issued by HM Treasury has meant that a charge reflecting the cost of capital is no longer calculated in line with the Government Financial Reporting Manual 2010-11. The 2009-10 comparatives have been restated accordingly to exclude the cost of capital charge. Prior year total comprehensive expenditure included within the Statement of Comprehensive Net Expenditure has decreased by £4,484, as a result of this restatement. The decrease was off-set by a corresponding reduction in the level of notional charges in the General Reserve.

	£
Net operating costs for 2010-11	1,496,239
Adjustment for:	
Removal of cost of capital charge	(4,484)
Restated net operating cost for 2010-11	1,491,755

The restatement has been reflected in the statement of taxpayers' equity and the statement of cash flows. There has been no effect on the statement of financial position.

### 17. Going concern

The financial statements for the year ended 31 March 2011 have been prepared on a going concern basis.

### 18. Date authorised for issue

The Accounting Officer authorised these financial statements for issue on 28 June 2011.



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