Presented pursuant to c.32, Section 12(6)(b) of the Police (Northern Ireland) Act 2000 the Police (Northern Ireland) Act 2003	, as amended by

Northern Ireland Policing Board (Board Grant) Account 2003-2004

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The National Audit Office scrutinises public spending on behalf of Parliament.

The Comptroller and Auditor General, Sir John Bourn, is an Officer of the House of Commons. He is the head of the National Audit Office, which employs some 800 staff. He, and the National Audit Office, are totally independent of Government.

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Foreword

Background and principal activities

History

Northern Ireland Policing Board (NIPB) was established as an executive Non-Departmental Public Body (NDPB) of the Northern Ireland Office (NIO) on 4 November 2001 by the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and replaced the Police Authority for Northern Ireland.

The Board's Chief Executive, who is the Accounting Officer for the Board's grant, reports directly to the Permanent Under Secretary, NIO on NDPB Accounting Officer matters.

Principal activities

The NI Policing Board's statutory duty is to secure that the Police Service of Northern Ireland (PSNI) is effective and efficient and to hold the Chief Constable to account. Its primary responsibilities are

- to consult with the community to obtain their views on policing and their co-operation with the police in preventing crime;
- to set objectives and performance targets for PSNI;
- to publish objectives and targets for PSNI as part of an Annual Policing Plan and to monitor PSNI performance against this plan;
- to appoint all officers of the Service above the rank of Chief Superintendent;
- to set the budget for policing and monitor expenditure; and
- to oversee complaints against the police and to conduct investigations into complaints against senior officers.

Details of the NIPB's aims, objectives and achievements may be found in its Annual Report which is published separately.

Basis of accounts

The accounts have been prepared in accordance with an Accounts Direction issued by the NIO on 29 July 2002.

Exclusion

The accounts do not incorporate the expenditure of PSNI.

Funding

The NIPB is funded from the NIO Request for Resources 1 'Police'.

Results for the year

The Income and Expenditure Account is set out on page 10 and shows a deficit for the year of £770,000.

Events since the year end

There have been no significant events since the end of the financial year which would affect the results for the year or the assets and liabilities at the year-end.

Interest rate and currency risk

NIPB has no borrowings and relies primarily on the Northern Ireland Office for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

Future developments

It is the Government's stated intention to transfer responsibility for policing and justice functions to a local devolved administration. The Government has said that the precise structural arrangements for the delivery of justice functions within a devolved administration will be a matter for a Northern Ireland Executive and Assembly. The NIPB will continue to work with other agencies in the criminal justice sector to ensure that agreed recommendations are implemented in a timely manner.

Policing with the Community is considered as the cornerstone of policing in Northern Ireland and the successful implementation of a structure of District Policing Partnerships during 2003-2004 has been a major step in achieving a successful Community Policing Strategy. As a consequence, a significant effort by both Board Members and staff will continue into 2004-2005 to support the new District Policing Partnership structure.

During 2004-2005 the Board will fulfill its statutory responsibility of monitoring the performance of the Police Service in complying with the Human Rights Act 1998. Human Rights is a key element of the Patten reforms and the implementation of the Boards Human Rights Monitoring Framework will provide an effective tool to take this programme forward.

The NIPB is required to comply with the Freedom of Information Act 2000 and in 2003-2004 agreed and produced its Publication Scheme, the purpose of which is to help achieve a more open and transparent operation of the Boards functions. From 1 January 2005 the principal provisions of the Act will come into effect and members of the public will have a right of access to recorded information held by all public authorities. NIPB is well placed to meet these requirements and will continue to ensure that its newly formed Compliance Branch and all Board staff are fully supported and adequately trained to meet the responsibilities of the Act.

Fixed assets

Movements in fixed assets are disclosed in Note 8. The NIPB does not believe there is any material difference between the market and net book value of its assets.

Management Board

Members of the NIPB for the period of the accounts were

Independent Members Political Members Professor D Rea (Chairman) Mr A Attwood Mr D Bradley (Vice-Chairman) Mr J Byrne Mr F Cobain Viscount Brookeborough Mr B Dougherty Mr S Foster Mr B Gilligan Mr W Hay Mr T Kelly Lord Kilclooney Mrs P McCabe Mr A McFarland Mr E McGrady Mrs R Moore Mr S Sharma Mr I Paisley Jnr Mr S Wilson

Full details of the Register of Members Interests can be obtained on the NIPB website or by written request to the Board.

Payments to suppliers

The NIPB is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code and British Standard BS 7890 – Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During the year a prompt payment figure of 96 % (92% in 2002-2003) of bills paid within 30 days was achieved.

Charitable donations

No charitable donations were made in the year.

Disabled employees

The NIPB shares the NIO's commitment to the Northern Ireland Civil Service Equal Opportunities Policy. This ensures equality of opportunity for disabled persons seeking employment in the NIPB.

Employee involvement

The NIPB continues to encourage staff involvement and commitment to its business. Information is disseminated through contact with management and team briefings. The NIPB has continued to support and encourage staff through nationally recognised qualifications, in-house training and external programmes.

Going concern

The balance sheet at 31 March 2004 shows net liabilities of £916,000. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NIPB's other sources of income, may only be met by future grants or grants-in-aid from the NIPB's sponsoring Department, the NIO.

Grants from NIO for 2004-2005, taking into account the amounts required to meet the NIPBs liabilities falling due in that year, have already been included in the Departments Estimates for that year, which have been approved by Parliament, and there is no reason to believe that the Departments future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Audit

The financial statements are audited by the Comptroller and Auditor General. The audit fee this year is £14,000 (2002-2003 £15,000).

T Reaney
Chief Executive

16 December 2004

Statement of the Northern Ireland Policing Board and Chief Executive's responsibilities

Paragraph 16 of Schedule 1 of the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, requires that a statement of accounts be prepared in the form and on the basis directed by the Secretary of State, with the approval of HM Treasury. The financial statements are prepared on an accruals basis and must give a true and fair view of the NIPB state of affairs at the period end and of its income and expenditure, recognised gains and losses and cash flows for the financial period.

In preparing the accounts the NIPB is required to

- observe the accounts direction issued by NIO, 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 a going concern basis, unless it is inappropriate to presume that the NIPB will continue in operation.

The Permanent Under Secretary of the NIO has appointed the Chief Executive of the NIPB as the Sub Accounting Officer. His relevant responsibilities as Sub Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers Memorandum issued by HM Treasury and published in 'Government Accounting'.

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 NIPB policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

I am directly accountable to the Accounting Officer of the Northern Ireland Office and may be called upon to appear before the Public Accounts Committee. The responsibilities of an Accounting Officer are set out in the Police Act 2000 and in the HM Treasury memorandum "Responsibilities of an NDPB Accounting Officer".

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of NIPB 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 the NIPB for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Capacity to handle risk

As Accounting Officer I am informed of my obligations concerning risk issues as advised under various Dear Accounting Officer (DAO) letters and HM Treasury directives. I have discussed the subject of risk management with my Senior Management Team and a risk assessment workshop, facilitated by external consultants, was held in June 2003. Following this, each Director has drawn up a risk register for their Directorate and this is agreed and reviewed by the Accounting Officer on a quarterly basis. In addition, the key corporate business risks for the organisation have been identified and included in the Corporate Risk Register.

The risk and control framework

Risks are identified, evaluated and monitored through regular updates and reviews conducted by the Accounting Officer and his Senior Management Team. Each Director will be responsible for providing a stewardship statement on their area of responsibility. Within this statement they will demonstrate how they have dealt with risk issues during the year and highlight any areas, which might adversely affect their Directorate or the organisation as a whole. These areas will be discussed and actioned at Senior Management Team meetings. The Audit and Best Value Committee is updated regularly on areas concerning risk.

NIPB is a risk aware and prudent organisation and top risk priorities, contained within the Corporate Risk Register, are regularly evaluated by the Senior Management Team. The NIPB is committed to embedding risk management within the activities of the organisation as a priority in developing an appropriate Corporate Governance environment and through inclusion in the corporate planning and decision making processes.

Review of effectiveness

As Accounting Officer, I 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 and the executive managers within the NIPB who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Best Value Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In January 2004, the Internal Audit function was contracted out to PricewaterhouseCoopers (PwC). Prior to this date, NIPBs own Internal Audit service submitted regular reports together with recommendations for improvement and this has been continued by PwC during the last quarter of this financial year.

PwC has issued an assurance statement on the internal control framework and risk management process within NIPB and on the basis of the systems audit work performed during the year, were able to provide a partial assurance in relation to the adequacy of the systems of control in place within the organisation.

Weaknesses were identified in a review of contract management. Audit recommendations have been accepted and improvements are currently being implemented. Additionally, in relation to the CCTV system, grants were paid to various town partnerships up to 2001-2002, by our predecessor body, the Police Authority for Northern Ireland. In one instance there was an overpayment of an amount to one partnership and we have received permission from the Northern Ireland Office to write off this amount and not to continue to pursue repayment. Payments to another partnership are subject to continuing investigations. Internal Audit raised concerns on DPP financial arrangements which NIPB are addressing.

PwC have received positive responses from management on all issues raised and acknowledge that improvements and enhancements in controls have already been made. Furthermore, they are satisified that full implementation of the actions agreed should lead to adequate assurance being provided in these areas in future.

T Reaney
Chief Executive

16 December 2004

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 10 to 23 under the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 13 to 14.

Respective responsibilities of the Northern Ireland Policing Board, the Chief Executive and Auditor

As described on page 5, the Northern Ireland Policing Board and Chief Executive are responsible for the preparation of the financial statements in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. The Northern Ireland Policing Board and Chief Executive are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Northern Ireland Policing Board has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 6 and 7 reflects the Northern Ireland Policing Board's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Northern Ireland Policing Board's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Northern Ireland Policing Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Northern Ireland Policing Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Policing Board at 31 March 2004 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn Comptroller and Auditor General

8 February 2005

National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP

Income and Expenditure Account for the year ended 31 March 2004

Notes	2004 £000	2003 £000
Income	2000	1000
Grant from NIO RfR 1 'Police'	5,756	5,127
Release from Capital Grant Reserve 13	37	31
Total income	5,793	5,158
Expenditure		
Staff costs 3(b) 1,761	1,788
Grant to District Policing Partnerships 4	2,410	1,208
Other operating costs 5	2,208	2,013
Depreciation 8	29	24
Permanent diminution 8	8	7
Notional cost of capital 6	(18)	0
Total expenditure	6,398	5,040
(Deficit)/surplus before exceptional item	(605)	118
Exceptional item: pension liability 12	(165)	(340)
Deficit for the year	(770)	(222)
Notional cost of capital 6	(18)	0
Amount transferred from reserves	(788)	(222)

Statement of Total Recognised Gains and Losses for the year ended 31 March 2004

Deficit for the year		(788)	(222)
Unrealised surplus on revaluation of fixed assets	13	1	0
Total recognised losses for the year	_	(787)	(222)

All amounts above relate to continuing activities and are administrative in nature.

The notes on pages 13 to 23 form part of these financial statements.

Balance Sheet as at 31 March 2004

	Notes	2	004	2	003
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	8		147		165
Current assets					
Debtors	9	478		400	
Cash at bank and in Hand	10	1	_	101	
		479		501	
Current liabilities					
Creditors: amounts falling due within one year	11	(1,037)	_	(436)	
Net current liabilities/assets			(558)		65
Provision for liabilities and charges	12		(505)		(340)
Net liabilities			(916)		(110)
Financed by					
General fund	13		(1,063)		(275)
Capital Grant Reserve	13		147		165
			(916)		(110)

T Reaney Chief Executive 16 December 2004

The notes on pages 13 to 23 form part of these financial statements.

Cash Flow Statement for the year ended 31 March 2004

Operating activities	Notes	2004 £000	2003 £000
Net cash (outflow)/inflow from operating activities	14	(92)	67
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(26)	(35)
Financing			
Grant received for capital purposes	13	18	43
(Decrease)/increase in cash		(100)	75

The notes on pages 13 to 23 form part of these financial statements.

Notes to the Financial Statements

1 Statement of accounting policies

The financial statements have been prepared in accordance with the Executive Non Departmental Public Bodies Annual Reports and Accounts Guidance issued by HM Treasury. The particular accounting policies adopted by the NIPB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Tangible fixed assets

Tangible fixed assets are revalued annually in accordance with the Office for National Statistics indices as published by the Stationery Office.

Surpluses on revaluation are taken to the capital grant reserve. Deficits on revaluation are charged to the reserve until the asset's depreciated historic cost is reached; any further deficit is charged to the Income and Expenditure Account.

The minimum level of capitalisation as an individual or grouped fixed asset is £500.

The NIPB does not own any land or buildings. A charge for accommodation costs is included in the Income and Expenditure Account.

1.3 Depreciation

Depreciation is provided on all fixed assets from the month they are brought into service, on a straight-line basis in order to write off the cost or valuation over their estimated useful lives.

The estimated useful lives of all assets are as follows

Furniture and kitchen equipment 8 to 12 years IT equipment 5 years

1.4 Capital grant reserve

Grants for capital purposes are credited to the Capital Grant Reserve and released to the Income and Expenditure Account over the expected useful lives of the assets.

1.5 Early departure costs

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

The NIPB provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes in the period. The total costs of these programmes are recognised in the year the announcement is made.

There were no early departures during the period.

1.6 Pension costs

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

The PSNI (Civilian) Scheme, which is analogous to the PCSPS (NI), is being 'wound-up' retrospectively as at 30 September 2002 and transferred to the PCSPS (NI) as a Schedule 1 Member. It is expected that the PSNI (Civilian) Pension Scheme will be wound up and the transfer made in 2004-2005.

1.7 Value added tax (VAT)

Income and Expenditure are shown exclusive of VAT which is recoverable in most cases from HM Customs and Excise, in accordance with section 20 of the Value Added Tax Act 1983.

1.8 Notional charges

- i Notional amounts are charged to the Income and Expenditure Account in respect of services provided by Government Bodies in order to reflect the full cost of these services. However there have been no such notional amounts charged to the Income and Expenditure Account.
- ii A notional charge for interest on capital is included in the Income and Expenditure Account. This is calculated at 3.5% (6% in 2002-2003) of the average value of total assets less total liabilities.

1.9 Provision for pension liability

The PSNI (Civilian) Pension Scheme is being 'wound up' and transferred to the PCSPS(NI) as a Schedule 1 Member. This is in keeping with current HM Government Policy to close all 'by analogy' schemes and transfer them into the main PCSPS schemes. The present value of the scheme liabilities in relation to NIPB direct recruits is provided for as an exceptional item.

1.10 Leases

Rentals paid under operating leases are charged to operating costs on a straight-line basis over the term of the lease.

1.11 Insurance

Except where there is a statutory requirement to do so, NIPB does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

2 Reconciliation of grant

	2004	2003
	£000	£000
Grant from Northern Ireland Office	5,774	5,170
Less Transfer to Capital Grant Reserve	(18)	(43)
	5,756	5,127

3 Northern Ireland Policing Board members and staff

a NIPB members

Remuneration of NIPB Members is disclosed below. None of the posts are pensionable and the only other primary benefit is the payment of expenses for home to office travel and the associated taxation amounting in total to £55,000 for 2003-2004 (£56,000 in total for 2002-2003). Political Members do not normally receive remuneration unless the Assembly is suspended and their remuneration from the Assembly is reduced.

Name and title	Age	2003-2004 Salary £000	2002-2003 Salary £000
Independent members			
Professor D Rea (Chairman) Mr D Bradley (Vice-Chairman) Viscount Brookeborough Mr B Dougherty Mr B Gilligan Mr T Kelly Mrs P McCabe Mrs R Moore Mr S Sharma	67 58 51 35 51 40 47 58 44	50 37 15 16 16 20 15	45 35 15 15 15 15 15 15
Political members			
Mr A Attwood Mr J Byrne Mr F Cobain Mr S Foster Mr W Hay Lord Kilclooney Mr A McFarland	44 50 57 72 53 66 54	12 14 12 14 12 12	7 7 7 5 7 7 5
Mr E McGrady	68	9	4
Mr I Paisley Jnr Mr S Wilson	37 50	12 12	7 7
The average number of Members during the year was		2004 Number 19	2003 Number 19
b Staff costs and numbers			
b Stail costs and numbers		2004 £000	2003 £000
Wages and salaries		1,369	1,400
Social Security costs		105	97
Other pension costs		131	107
Secondments/agency		156	184
Total cost		1,761	1,788
The average number of employees during the year was		2004 Number	2003 Number
Senior Management		4	4
Other directly employed staff		40	45
Secondments/agency		6	7
		50	56

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members were as follows

Title	Salary £000	2003-2004 Benefits in kind (to nearest £100)	Salary £000	2002-2003 Benefits in kind (to nearest £100)
Chief Executive (date of joining 2 September 2002 left 29 August 2003)	25 - 30	0	40 - 45	0
Acting Chief Executive (appointed 1 August 2003, retired 13 January 2004)	40 - 45	0	N/A	N/A
Chief Executive (appointed 1 January 2004)	20 - 25	0	N/A	N/A
Head of Business Affairs (appointed Acting Chief Executive on 1 August 2003)	15 - 20	0	45 - 50	0
Corporate Services Director (appointed 5 January 2004)	5 - 10	0	N/A	N/A
Policy and Accountability Director	45 - 50	0	30 - 35	0
Training and Community Affairs Director	40 - 45	0	35 - 40	0

^{&#}x27;Salary' includes gross salary, performance pay or bonuses, overtime and any other allowance to the extent that it is subject to UK taxation.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No benefits in kind were paid to senior employees.

Pension entitlements of the most senior employees are shown below.

	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31 March 2004 and related lump sum £000	CETV at 31 March 2004 (nearest £000)	CETV at 31 March 2003 (nearest £000)	Real increase in CETV (nearest £000)
Chief Executive (appointed 2 September 2002 left 29 August 2003)	0-2.5 plus 0-2.5 lump sum	0-5.0 plus 0-5.0 lump sum	13	10	2
Acting Chief Executive/Head of Business Affairs (retired 13 January 2004)	5.0 –7.5 plus15.0-17.5 lump sum	20.0-25.0 5 plus 70.0-75.0 lump sum	N/A	333	N/A
Chief Executive (appointed 1 January 2004)	0-2.5 plus 0-2.5 lump sum	0-5.0	1	0	1
Corporate Services Director (appointed 5 January 2004)	0-2.5 plus 0-2.5 lump sum	0-5.0 plus 5.0 - 10.0 lump sum	24	23	0
Policy and Accountability Director	0-2.5 plus 5.0-7.5 lump sum	5.0-10.0 plus 15.0-20.0 lump sum	62	37	21
Training and Community Affairs Director	0-2.5 plus 0-2.5 lump sum	10.0-15.0 plus 30.0-35.0 lump sum	175	160	7

The 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. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the member has accrued as a consequence of their total service. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV takes account of the increase in accrued pension due to inflation and contributions paid by the member and is calculated using common market valuation factors for the start and end of the period.

c Principal Civil Service Pension Scheme (NI)

Pension benefits for Civil Servants seconded from DFP are provided through the Principal Civil Service Pension Scheme (NI) (PCSPS (NI)). From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

The PCSPS(NI) is an unfunded defined benefit scheme but NIPB is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003.

For 2003-2004, employers' contributions of £130,988 were payable to the PCSPS(NI) (£107,540 for 2002-2003) at one of four rates in the range 12 to 18 per cent of pensionable pay, based on the salary bands.

It is anticipated that these rates will remain the same next year, subject to revalorisation of the salary bands, but may change from 2005-2006 depending on the result of the current actuarial valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, no employer contributions of 0.8% of pensionable pay, were payable to the PCSPS(NI) to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

There were no contributions due to the partnership pension providers at the balance sheet date. There were no contributions prepaid at that date.

d Police Service of Northern Ireland (Civilian) Pension Scheme

Pension benefits for direct recruits are provided through the Police Service of Northern Ireland (Civilian) Pension Scheme which is analogous to the PCSPS (NI) scheme, described above.

Legislation was approved on 8 March 2004 to add direct recruits to the employments listed in Schedule 1 to the Superannuation (Northern Ireland) Order 1972 with effect from 30 September 2002; however it is expected the scheme will be wound up and the transfer made during 2004-2005.

A full actuarial valuation of the Police Service of Northern Ireland (Civilian) Pension Scheme was carried out at 31 March 2000 and is being updated to 30 September 2002, the effective date of the transfer, by the Government Actuary. The accruing cost of the PSNI (Civilian) Pension Scheme has been estimated by the Government actuaries at £69.0m at 30 September 2002. In accordance with the NDPB Accounting Guidance, the scheme liability has been discounted at 3½%.

Direct Recruits joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

In addition, no employer contributions of 0.8% of pensionable pay, were payable to the PCSPS(NI) to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

There were no contributions due to the partnership pension providers at the balance sheet date, and no contributions prepaid at that date.

4 Grant District Policing Partnerships

District Policing Partnership	2004 £000	2003 £000
Antrim	92	15
Ards	100	10
Armagh	110	21
Ballymena	94	13
Ballymoney	100	16
Banbridge	105	23
Belfast	200	42
Carrickfergus	85	22
Castlereagh	100	11
Coleraine	96	12
Cookstown	85	10
Craigavon	87	10
Derry	121	7
Down	98	12
Dungannon	25	7
Fermanagh	101	22
Larne	81	13
Limavady	87	20
Lisburn	120	41
Magherafelt	78	8
Moyle	92	16
Newry	110	12
Newtownabbey North Down	105 108	13 13
Omagh	87	11
Strabane	84	12
Strabatic		
	2,551	412
(Recoverable amounts)/set up costs	(141)	796
Total	2,410	1,208

The Policing Board commenced the process to establish District Policing Partnerships (DPPs) in September 2002.

Funding of the DPPs is by way of the payment of a grant by the Policing Board to each of the District Councils that have set up DPPs. The amount of grant is 75% of the total cost of operating the DPPs, including salaries, travel and allowances and accommodation costs, with the remaining 25% funded by the District Councils. Payment is made periodically on the basis of an agreed budget. The grant is recognised on an accruals basis in NIPB's financial statements. A comparison of amounts paid, based on budget, against actual costs incurred for the year gives rise to either a surplus or deficit of funding in the year, with any overpayment of grant treated as a Prepayment and underpayments reflected in Creditors.

Set up costs include the cost of advertising and recruiting independent members for each of DPPs. Recoverable set up costs relate to amounts due from District Councils.

5 Other operating costs

	2004	2003
	£000	£000
Travel and subsistence	132	118
Course fees	43	51
Hospitality	17	21
Press and public relations	206	285
Custody visitors	47	51
Independent observers	18	13
Community policing liaison committee	9	32
Crown solicitor's office	10	17
Public attitude survey	107	115
Equality	70	10
Running costs	478	477*
Accommodation costs	736	592
Special enquiry costs	0	107
Audit fees	14	16
Pension medical services and appeals	230	21*
DPP Website	80	0
District policing partnership review costs	11	87
Total other operating costs	2,208	2,013

^{* 2002-2003} Running Costs included the cost of PSNI Pension Medical Services. This service was previously provided by the PSNI Occupational Health Unit and was contracted out in January 2003. Therefore 2003-2004 shows the first full year in respect of this cost.

6 Notional cost of capital

	2004 £000	2003 £000
Cost of capital	(18)	0
Notional cost of capital	(18)	0

7 Exceptional item

The PSNI (Civilian) Pension Scheme is being 'wound up' retrospectively and admitted to the main PCSPS(NI) as a Schedule 1 Member. The accruing cost of the NIPB direct recruits that are members of the PSNI scheme is estimated by the Government Actuaries at £505,000 (£340,000 in 2002-2003) and is provided for as an exceptional item. The charge for the year of £165,000 (2002-2003 £340,000) has been treated as an exceptional item.

8 Tangible fixed assets

	Computer Equipment	Furniture and Kitchen	Total
	£000	Equipment £000	£000
Cost or valuation			
At 1 April 2003	97	112	209
Additions	5	13	18
Disposals	0	0	0
Revaluation	(11)	1	(10)
At 31 March 2004	91	126	217
Accumulated depreciation			
At 1 April 2003	21	23	44
Provided in period	18	11	29
Backlog depreciation	(3)	0	(3)
At 31 March 2004	36	34	70
Net book value			
At 1 April 2003	76	89	165
At 31 March 2004	55	92	147
9 Debtors			
		2004	2003
Amounts due within one year		£000	£000
Trade Debtors		0	0
Prepayments and Accrued Income		164	347
Other Debtors		314	53
		478	400
10 Cash at bank and in hand			
		2004	2003
		£000	£000
Commercial banks and cash in hand		1	101
11 Creditors			
		2004 £000	2003 £000
Amounts due within one year		2000	2000
Trade creditors		273	233
Payroll accrual		78	170
Other creditors		686	33
		1,037	436

12 Provisions for liabilities and charges

12 1 10 1310113 101 habilities and thanges			
		Pensi	on liability £000
At 1 April 2003			340
Utilised in year			0
Discount			0
Increase in provision			165
At 31 March 2004		-	505
13 Reconciliation of Government funds and movement on capital an	d reserves	•	
Notes	General fund	Capital grant	Total
	£000	reserve £000	£000
At 1 April 2003	(275)	165	(110)
Grant received for capital purchases 8	0	18	18
Depreciation of assets released 8	0	(29)	(29)
Surplus on revaluation of fixed assets 8	0	1	1
Permanent diminution released 8	0	(8)	(8)
Transfer from Income and Expenditure Account	(788)	0	(788)
At 31 March 2004	(1,063)	147	(916)
14 Reconciliation of operating surplus/(deficit) to net cash inflow/(o	utflow) fron	n operating ac	tivities
		2004 £000	2003 £000
Deficit for the year		(770)	
Adjustment for non-cash Transactions			(222)
Depresiation			(222)
Depreciation		29	(222)
Permanent diminution		29 8	
Permanent diminution Release from capital grant reserve			24
Permanent diminution		8	24 7
Permanent diminution Release from capital grant reserve Notional cost of capital Adjustments for movements in working capital		8 (37) (18)	24 7 (31) 0
Permanent diminution Release from capital grant reserve Notional cost of capital Adjustments for movements in working capital (Increase) in debtors		8 (37) (18)	24 7 (31) 0
Permanent diminution Release from capital grant reserve Notional cost of capital Adjustments for movements in working capital (Increase) in debtors Increase in creditors		8 (37) (18) (78) 609	24 7 (31) 0 (254) 203
Permanent diminution Release from capital grant reserve Notional cost of capital Adjustments for movements in working capital (Increase) in debtors		8 (37) (18)	24 7 (31) 0

15 Capital commitments

There were no capital commitments outstanding at the year-end for which contracts had been entered into or which had been authorised by the Management Board.

16 Obligations under leases

Annual commitments under non-cancellable operating leases are as follows

	Land and Buildings		Other	
	2004 £000	2003 £000	2004 £000	2003 £000
Operating leases which expire				
Within one year	0	0	2	1
In two to five years	0	0	3	5
In over five years	286	286	0 _	0
	286	286	5	6

17 Losses and special payments

Туре	Description	Number of cases	£000	
Losses	Cash	9	51	

Included in losses and special payments is a single amount of £50,000 in relation to an overpayment in 2001-2002 by our predecessor body, the Police Authority for Northern Ireland (PANI). This related to an overpayment of grant to one town partnership towards the introduction of a CCTV surveillance scheme, which will not be pursued for repayment.

18 Related party transactions

The NIPB is a Non-Departmental Public Body of the Northern Ireland Office.

The NIO is regarded as a related party. During the year the NIPB has had a number of material transactions with the Department and with other Government Departments and central government bodies. Most of these transactions have been with the Department of Finance and Personnel; the Crown Solicitor's Office, the Government Purchasing Agency, the Construction Service, the Rate Collection Agency and the Northern Ireland Statistics and Research Agency (the last two are executive agencies of the Department of Finance and Personnel); local Councils, through the District Policing Partnerships; and the Police Service of Northern Ireland.

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

19 Contingent liabilities

There were no contingent liabilities at 31 March 2004.

20 Post balance sheet events

There are no post balance sheet events that impact on these financial statements.

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