

# Annual Report and Accounts

2006 - 2007

Criminal Justice Inspection  
Northern Ireland  
*a better justice system for all*



# Annual Report and Accounts 2006-07

Criminal Justice Inspection Northern Ireland Annual Report  
and Statement of Accounts 2006-07 together with the  
report of the Comptroller and Auditor General.

Presented to the Houses of Parliament by the Secretary  
of State for Northern Ireland under Section 49(2) of the  
Justice (Northern Ireland) Act 2002.

3rd December 2007

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# Annual Report and Accounts 2006-07

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# Section One

# Chief Inspector's Report



Kit Chivers

**This was the year of the St Andrews Agreement and the final steps towards the resumption of power-sharing government in Northern Ireland. The expectation, in accordance with the Agreement, is that within the next year responsibility for criminal justice will be devolved, ushering in a new era for the criminal justice system here.**

The transitional arrangements preparing the way for the new regime are coming to their end. Last year, Lord Clyde delivered his sixth and last report as Justice Oversight Commissioner, setting the seal on the comprehensive range of reforms emanating from the Criminal Justice Review. There remain a few items of unfinished business, mostly dependent on devolution, but the amount that has been achieved is impressive.

Likewise the Policing Oversight Commissioner, Al Hutchinson, has now delivered his final report summing up the progress that has been made in implementing the

recommendations of the Patten Commission. It would be no exaggeration to say that in the past seven years the entire criminal justice system of Northern Ireland has been transformed.

Devolution, whenever it happens, will inevitably mean further change. There will suddenly be a much greater pressure of governance on the criminal justice agencies, which have to some extent been shielded from public scrutiny by the absence of local democratic accountability. This is entirely to be welcomed, because there is a need to focus on the scope for improvement in many areas, but it will be a challenge for the agencies. It will be essential that the various inspection and audit bodies co-operate to keep to an acceptable level the burden of oversight, while meeting the legitimate needs of the Assembly and its committees.

It will be particularly important that a correct relationship is established between the Assembly and the Policing Board, so that there is no duplication of effort or uncertainty about the proper lines of accountability of the PSNI, and that adequate arrangements are made for the accountability of the PPS.

Devolution will mean, too, that there will be new competition for resources as the budget for

criminal justice is no longer ring-fenced from spending on other public services. Levels of spending on the criminal justice system (CJS) in Northern Ireland are still significantly higher than in other parts of the United Kingdom, and it would be natural for local politicians to want to accelerate the progress towards more normal levels. This will pose difficult choices, because there is an urgent need for new investment in certain parts of the CJS, notably the prison estate, a new police college and a new forensic laboratory. Ministers will need all the help CJI can give them in identifying ways of saving money and improving the efficiency and effectiveness of the service.

Against that background it will be crucially important to manage public expectations. Northern Ireland has a sound system of criminal justice, with relatively low crime rates and the lowest rates of imprisonment and of reconviction in the United Kingdom. The pressure of local accountability may tempt politicians to look for short-cuts and more populist measures to tackle the highly visible forms of offending, such as anti-social behaviour. Officials will need to be armed with the evidence to show that the basic approach we have evolved in Northern Ireland is sound and that more punitive options are liable to be more expensive in the long run and no more effective.

## Criminal Justice Inspection Northern Ireland

*a better justice system for all*



If it takes steps to improve the efficiency of the system and at the same time remains true to its shared values, Northern Ireland has the opportunity to develop an excellent criminal justice system under devolution. There are already areas such as restorative conferencing on which Northern Ireland is regarded as a model, and our treatment of victims and witnesses has improved very significantly. Our arrangements for sex offender management, despite always being a focus of public concern, are as good as those anywhere in these islands, as are the Causeway information system and the Juvenile Justice Centre. And one should add to that the strength of the voluntary and community sector here, which constitutes a major asset in relation to the criminal justice system.

Against that background, how has CJI been using its resources over the past year? This Annual Report will show that we have attempted to address some of the major issues of public concern, such as hate crime and the management of sex offenders, while at the same time looking at issues of economy and efficiency, such as procurement policy and the Causeway IT programme.

We have focussed on the major criminal justice agencies, but we have also been faithful to the duty imposed by our founding statute, the Justice (NI) Act 2002, of

inspecting a whole range of agencies which are more at the margins of criminal justice, such as the Social Security Agency's benefit fraud investigations. In a few cases, we have looked briefly at a subject and then formally recorded a decision not to spend further time on it at this stage.

CJI's workload is growing all the time. In the course of the year the Secretary of State gave us responsibility for inspecting supervised accommodation (bail hostels), and the Government introduced a Bill (now the Justice and Security Act 2007) which extends our remit to cover the courts, the Legal Services Commission and the Life Sentences Review Commissioners. The same Bill was amended, on the proposal of Lord Trimble, to give CJI a statutory responsibility to inspect community-based restorative justice schemes. We confidently expect that the re-convened Assembly will lead to many more requests for CJI to undertake pieces of work and briefings to feed in to its debates.

Despite that, for the time being CJI is resolved to continue to try to work with the same small team. We have recruited a sixth Inspector, but at the same time we have amalgamated the post of Business Manager (so important while CJI was being set up), with that of Office Manager so the complement remains the same.

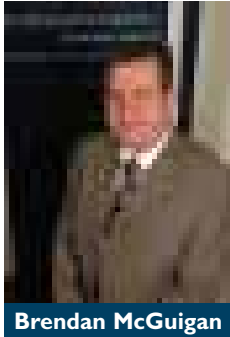
We continue to operate within budget and to cost no more than one tenth of one percent of the cost of the CJS in Northern Ireland. In relation to that cost, I believe CJI delivers good value.

I continue to be proud to head an organisation which has such a clear sense of purpose and comprises such an expert and well motivated team. CJI continues to be unique in the world (so far as I am aware) in being an Inspectorate for the whole of the criminal justice system. We have shown that such an Inspectorate can operate effectively. But CJI could not do what it does without the unstinting assistance of our partner Inspectorates in neighbouring jurisdictions – especially HM Inspectors of Constabulary, Prisons, Probation, the CPS and Court Administration in England and Wales, but also the Inspectorates in Scotland and the Republic of Ireland, with which we are also developing mutually productive links. I would like to record my sincere gratitude to all of them.

**Kit Chivers**  
*Chief Inspector of Criminal  
Justice in Northern Ireland*  
17th October 2007



# Management Commentary



Brendan McGuigan

## Background Information

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

The 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 in Northern Ireland, other than the courts,<sup>1</sup> and to contribute in a significant way to the efficient and effective running of the criminal justice system, while helping to guarantee that it functions in an even handed way.

CJI went live in October 2004 and since that time has conducted a programme of inspections which are agreed annually with the Secretary of State.

## Remit of Criminal Justice Inspection

**Under section 46 of the Justice (Northern Ireland) Act 2002, CJI must inspect the following agencies:**

- Police Service of Northern Ireland
- Forensic Science Northern Ireland
- State Pathologist's Department
- Public Prosecution Service for Northern Ireland
- Probation Board for Northern Ireland
- Northern Ireland Prison Service
- Youth Justice Agency
- Health and Social Service's Boards and Trusts
- Compensation Agency
- Northern Ireland Child Support Agency
- Department of Enterprise, Trade and Investment
- Department of the Environment
- Health and Safety Executive for Northern Ireland
- Northern Ireland Tourist Board
- Police Ombudsman for Northern Ireland
- Northern Ireland Social Security Agency
- Royal Mail Group
- Belfast International Airport Ltd
- Belfast Harbour Commissioners
- Larne Harbour Ltd

## CJI's Aims

**CJI will endeavour to support the Government's aims for the criminal justice system in Northern Ireland by promoting the effectiveness, efficiency and even-handedness of the system.**

We will achieve this by:

- Inspecting all the organisations within our remit on a regular basis in a manner proportionate to their significance in the criminal justice system;
- Undertaking some inspection work in each of the six main agencies of the criminal justice system each year;
- Undertaking a wide range of cross-cutting thematic reviews of subjects of importance to the criminal justice system; and
- Communicating regularly and effectively with all our stakeholders.

## CJI's Objectives

**Underpinning these aims CJI's objectives are to:**

- Carry out the inspection programme approved by the Secretary of State;
- Carry out inspections of the community-based restorative justice schemes, following our invitation to do so by Ministers;
- Undertake other pieces of work which the Secretary of State may request; and
- Carry out Action Plan Reviews/Follow-Up Reviews of completed inspections.

<sup>1</sup> The Courts were subsequently added to the remit under s.45 of the Justice and Security (Northern Ireland) Act 2007.

## Performance against CJI's Objectives & Targets 2006-07

In this section CJI reports on progress against its objectives and targets for the 2006-07 financial year. While CJI did compare its objectives and targets for 2006-07 with those from the previous year, a comparison is not included as only a few of the objectives and targets from 2005-06 were carried forward to this financial year.

Objective	Target	Achieved	Not Achieved	Result
<b>Inspections and Action Plan/Follow-Up Reviews</b>				
To carry out within the year a programme of inspections, recognising that not all will have been reported by the end of the year.	To carry out within the year a programme of inspections recognising that not all will have been reported by the end of the year.	✓		Fieldwork for 7 planned inspections was completed by 31 March 2007. Three inspections which rolled-over from the 2005-06 Inspection programme were published in 2006-07. CJI was asked to undertake an unscheduled piece work of at the request of the Minister for Criminal Justice which was completed and reported on in 2006-07. Two additional inspection topics were added during the course of the year. These were reported and published in 2006-07. Three other topics were moved to the 2007-08 inspection programme following consultation with the agencies concerned.

Objective	Target	Achieved	Not Achieved	Result
Conduct all the inspections and thematic reviews listed to an acceptable <sup>2</sup> standard, to time and to budget.	<ul style="list-style-type: none"> <li>No complaints against Inspectors upheld in the course of the year.</li> </ul>	✓		No complaints made against Inspection staff.
	<ul style="list-style-type: none"> <li>90% of inspections and thematic reviews to be completed within time and budget<sup>3</sup>.</li> </ul>	✓		A total of 10 out of 10 inspections (100%) were undertaken by CJI in 2006-07. In addition 11 out of 13 reports (85%) were published in 2006-07.
	<ul style="list-style-type: none"> <li>75% of inspections and thematic reviews started in 2006-07 to be reported by 31 March 2007.</li> </ul>		X	Seven out of 10 inspections (70%) commenced in 2006-07 were reported and published in the same year.
Conduct all the Action Plan reviews listed within three months of the date one year after publication of the inspection report, unless otherwise agreed.	Conduct all Action Plan reviews listed within 15 months of publication of the original inspection report unless otherwise agreed.	✓		Two Action Plan reviews were carried out and published in 2006-07. Six others were deferred by agreement with agencies or other Inspectorates involved.
To publish single agency inspection reports (but not thematics) with agreed Action Plans.	90% of single-agency inspection reports (but not thematics <sup>4</sup> ) to be published with agreed Action Plans.		X	Agreed Action Plans were published in connection with three of the four (75%) single agency inspections carried out.

2 'Acceptable' means acceptable to the Secretary of State or the Attorney General and approved for publication and having attracted no agency complaints regarding the conduct of Inspectors

3 Excess time taken by agencies to comment on draft reports and to submit Action Plans will be excluded from the measure, which may therefore not correspond with elapsed time.

4 Because of the number of agencies which may be involved in a cross-cutting thematic review it may not be possible to include an agreed Action Plan without significantly delaying publication.

Objective	Target	Achieved	Not Achieved	Result
<b>Media and Communication</b>				
Develop political awareness of the work of CJI.	Increase contact with politicians.	✓		During the course of 2006-07 CJI engaged with local politicians and community representatives in anticipation of the return of the devolved Assembly.
Maintain and improve the profile of CJI.	Accept all suitable invitations to speak at seminars and conferences and to community groups.	✓		During 2006-07 staff members from CJI accepted invitations to speak at 16 seminars and conferences.
Establish a baseline of data on media references to CJI.	Set up an electronic database of newspaper clippings and visual and audio material relating to CJI.	✓		An electronic database of newspaper articles was established. Transcripts and audio/video recordings of references to CJI are also retained in house. In addition CJI now subscribes to the NIO media monitoring facility.
Improve CJI's corporate identity and the organisational brand.	Introduce a new standard design for inspection reports.	✓		A new design for reports was implemented in May 2006 as part of the corporate re-branding exercise. The new design is now used throughout CJI's printed and publicity material.
Keep CJI stakeholders abreast of inspection activity.	Publish four editions of the newsletter <i>The Spec</i> .	✓		Four editions of CJI's newsletter were published and distributed during the course of the year.

Objective	Target	Achieved	Not Achieved	Result
Run a successful annual Stakeholder Conference in January 2007.	Increase attendance at CJI's annual Stakeholder Conference.	✓		CJI hosted its biggest Stakeholder Conference to date when over 120 delegates attended the event in January 2007.
<b>Planning and Management</b>				
All staff to undertake at least seven days' relevant training in the course of the year.			X	All staff completed a minimum of 3.5 days training in 2006-07 with 57% of all staff completing at least 7 days' training during the same period.
Publish the Annual Report for 2005-06 by 31 July 2006 and the complete Annual Report and Accounts as soon as possible thereafter.	Publish the Annual Report for 2005-06 before the Parliamentary Recess.		X	The format of the accounts for 2005-06 was changed by HM Treasury, which delayed the completion of the accounts. Priority was also given to the publication of Inspection reports in the run up to the Parliamentary summer recess. The Annual Report was subsequently published in December 2006.
Maintain a clean audit certificate from the Comptroller and Auditor General for 2005-06.	To obtain a clean audit certificate from the Comptroller and Auditor General for 2005-06.	✓		A clean audit certificate from the Comptroller and Auditor General was obtained in November 2006. This was incorporated into the Annual Report & Accounts for 2005-06.

## 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. These responsibilities are carried out in accordance with the responsibilities assigned to me in Government Accounting.

I must also prepare a Statement of Account in each financial year in the form directed by the Secretary of State. The Statement of Account must be submitted to the Secretary of State and the Comptroller and Auditor General by 31 August each year.

The details of remuneration of senior management are set out in the remuneration report.

## Disclosure to Auditors

As Accounting Officer, I am not aware of any relevant audit information of which CJI's auditors are unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that CJI's auditors are made aware of that information.

The accounts are audited by the Comptroller and Auditor General. Audit fees for 2006-07 are set at £5,250 (£5,000 in 2005-06).

## Principal Risks

CJI has conducted a risk analysis examining a wide range of possible risks to the organisation and to the delivery of its objectives. These risks were reviewed during a risk management meeting in December to ensure the risks considered were 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.
- **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 voluntary and community-based organisations may be unwilling to engage, impeding CJI's programme of outreach.

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

## Review of Activities

The aim of all CJI's activities is improvement. Its inspections examine the strengths and weaknesses of organisations with a view to identifying the scope for improvement. It may make recommendations designed to help an organisation to improve in any aspect of its performance.

CJI proceeds in two stages:

1. Collecting data in advance, and forming provisional judgements as to the strengths and weaknesses of the organisation.
2. Testing those judgements 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 capacity to improve, that the Inspectorate would have no option but to state publicly that the position was unacceptable. Most of the time, however, CJI works in partnership with the agencies, on the basis that their managers share the common aim of improvement.

Inspections are based on a 'Common Core' of standards, comprising:

- Openness and accountability;
- Partnership with other agencies in the criminal justice system;
- Promotion of equality and human rights;
- Being a learning organisation, responsive to customers and the community; and
- Delivering results in relation to the Government's objectives.

Each inspection starts by 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 to self-assess against the common core framework, identifying as honestly as possible its own strengths and weaknesses – not for use against it, but as a token of its commitment to inspection and as an aid to improvement.

The aim of self-assessment is to internalise within agencies the drive towards improvement, and the development of a capacity for rigorous and perceptive self-criticism among the management of the agencies is fundamental from that point of view.

The accounts for the year ended 31 March 2007 have been prepared on an accruals basis.

The financial position at the year end is set out in the Operating Cost Statement included on page 42.

Revenue Grant-in-Aid for the period was £1,138,913 (£1,336,800 in 2005-06) and the net operating cost was £1,228,430 (£1,259,174 in 2005-06).

Details of the General Fund are given in note 11 to the accounts. A net amount of £4,037 (£946 in 2005-06) was transferred into the Revaluation Reserve as a result of an upward revaluation of the fixed assets. Details of the Revaluation Reserve are given in note 12 to the accounts.

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 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 the later. During the year ended 31 March 2007, 99.81% (99.6% in 2005-06) of invoices received were paid within 30 days of receipt.

Details of how pension liabilities are treated can be found in the accounting policy note 1(h) on page 47.

## Register of Interests

All staff members are required to provide information of personal or business interests that might 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.

## 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 are basically those of the NI Civil Service, the culture of the organisation is modelled on a modern, knowledge-based business, not a conventional bureaucracy.

The health and wellbeing of staff is of paramount concern.

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



## Corporate Values

CJI will at all times:

- Conduct inspections and complete reports with honesty and impartiality, basing its findings upon evidence;
- Be open about its practices and procedures and about the expectations against which judgements are made;
- Publish all its reports and make all its papers freely available, subject to the normal exceptions for security and personal information;
- Encourage self-assessment, and make improvement the main purpose of all its inspections;
- Work in a non-adversarial, consultative and interactive way, collaborating wherever possible with other agencies and Inspectorates;
- Aim to minimise the demands it makes on those inspected;
- Treat people courteously, fairly and without discrimination, valuing diversity and promoting equality in accordance with s.75 of the Northern Ireland Act 1998;
- Monitor and evaluate its own performance from the perspective of value for money; and
- Welcome and be responsive to any complaints or other feedback from the agencies inspected.

Staff are expected to comply with the standards of conduct laid down by Section Four of



The CJI Team

the Civil Service Management Code, which sets out in detail the rules governing confidentiality, acceptance of outside appointments and involvement in political activities.

## Staffing

CJI had a complement of 14 staff in 2006-07. Staff are employees of the Chief Inspector. Two of the Business Support Team are on secondment from the Northern Ireland Office (NIO), the others are not civil servants. As these support grades return to the civil service, they are being replaced by directly recruited staff.

CJI is committed to developing each member of staff so that all reach their potential. During the past year a member of the Inspection team has undertaken a Common Purpose leadership development course and training in investigative interviewing

techniques. A member of the Business Support Team has continued to study for a Business Studies degree and received training in computerised account packages. Another member of the Business Support Team undertook a proof reading course while the Media and Communications Officer was trained in digital photography techniques.

CJI promotes and maintains effective communication and consultation with its staff in order to create and sustain good morale within the organisation. It is committed to developing team working.

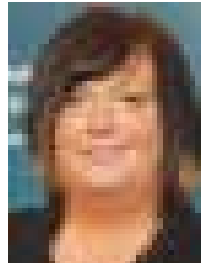
This is achieved by holding joint training sessions, having regular staff meetings and by issuing the minutes of all meetings held within the Inspectorate. The organisation does not discriminate against staff on any grounds including disability.



The Chief Executive is responsible for the day to day running of the Inspectorate including the development and management of the inspection programme. He has line management responsibility for the Inspection staff, Inspection Support Officer, Business Manager, Personal Assistant and the Media and Communications Officer and deputises for the Chief Inspector in his absence.

There were several staff changes during the year:

- Meloney McVeigh joined CJI as its Media and Communications Officer in April 2006, having previously worked as a Press Officer in the PSNI Department of Media and Public Relations.
- Linda Boal took up the post of PA to CJI's Chief Inspector and Deputy Chief Inspector in April 2006.
- Assistant Inspector Ann Duncan returned to England after nearly two years with CJI. She took up a post with Harrogate Council as a Corporate Partnership Development Officer.
- Keith Boyce left his role as Business Support Officer and returned to the NIO where he joined the Personnel Services Division.
- In October, Amanda Hannan joined the CJI team as an Inspection Support Officer.
- Martina White transferred from the NIO to become a directly recruited member of CJI's staff after successfully applying for and securing the



**Amanda Hannan,  
Inspection  
Support Officer.**

post of Business Support Officer.

- Tom McGonigle completed his year as Business Manager.
- In February, the Business Manager and Office Manager posts were amalgamated. Sean Deegan was appointed to fulfil these responsibilities.

## Media and Communication

In 2006-07 CJI adopted a higher media profile in an effort to increase awareness of the organisation and its reports among the public and stakeholders with an interest in criminal justice in Northern Ireland.

This higher profile followed on from a corporate decision taken by the organisation in 2005-06



to place a greater emphasis on communication and the appointment of a dedicated Media and Communications Officer.

During the course of the year, CJI issued 17 press releases on its inspection reports, its follow-up reviews and corporate activity. The Inspectorate also responded to media enquires and contributed a number of other articles to the press on request.

These releases were well received by the daily and weekly press and resulted in 65 articles appearing in the main newspapers and on-line news services in Northern Ireland. During the course of the year, CJI has become recognised as a source of interesting material which merits further consideration and in-depth examination by the press.

The Chief Inspector and Deputy Chief Inspector have undertaken 52 broadcast interviews for both TV and radio in an effort to raise the public profile of the organisation. During the course of these interviews, they addressed high profile topics such as sex offender management, the prison estate in Northern Ireland, volume crime and delay within the criminal justice system.

In doing so they publicised the Inspectorate's findings in terms of the excellent work currently being carried out by the criminal justice agencies in Northern

Ireland, and highlighted areas where further improvements can be made.

In 2006-07 CJI has worked to enhance its appeal to the media in the Republic of Ireland. It looks forward to developing these relationships further in the future.

The organisation continues to see media engagement and communication with the public and other stakeholders in the criminal justice system as a priority. It recognises this is an important channel which can strengthen its reputation as an open, transparent, independent inspectorate, working to secure improvement within the criminal justice system in Northern Ireland.

## Political Engagement

In 2006-07 CJI embarked on a series of meetings with key opinion formers and political representatives in Northern Ireland.

Invitations were extended to the main political parties who had representatives either in the House of Commons or the Northern Ireland Assembly to visit CJI's Belfast headquarters and meet the Chief Inspector, Deputy Chief Inspector and the Inspection team.

A number of political parties took up this invitation and as a result, a series of challenging and stimulating meetings were held.

During this year the Chief Inspector gave oral evidence to the Northern Ireland Affairs Committee in Westminster on community-based restorative justice. He was joined at the hearing in London by the former Justice Oversight Commissioner Lord Clyde and the Chairman and Chief Officer of the Probation Board for Northern Ireland.

Power-sharing government and local accountability returned in early 2007 and CJI looks forward to working closely with representatives from across the political spectrum to ensure local Ministers and MLAs are fully aware of the work CJI has undertaken.

The Chief Inspector and his team also look forward to developing these relationships in advance of the expected devolution of policing and criminal justice matters in 2008.

## Community Outreach

Criminal Justice Inspection continues to pursue a policy of community outreach at every opportunity.

In the last 12 months, CJI hosted the annual Common Purpose *Matrix Programme Crime Challenge Day*. The Chief Inspector and Paul Mageean, addressed those participating in the event which looked at the issue of community restorative justice.

CJI's links with Common Purpose were strengthened further through the organisation's involvement in the *Your Turn* programme which is aimed at students aged 13-15 years who are the leaders of the future. Both the Deputy Chief Inspector Brendan McGuigan and Assistant Inspector Ian Craig played a significant role in



Members of the panel who participated in the 2006 Crime Challenge Day.



**Brendan McGuigan pictured with participants in the Common Purpose Your Turn programme.**

facilitating workshops connected to the programme.

The Chief Inspector has spoken to members of local District Policing Partnerships during the year and was invited to take part in a panel discussion on police oversight and accountability at the international conference on Policing the Future, hosted by the Northern Ireland Policing Board in February 2007.

During the last financial year CJI began discussions with RQIA – the Regulation and Quality Improvement Authority – to establish how the two Inspectorates could co-operate



**Kit Chivers (back left) pictured at the Heads of Inspectorates meeting in Belfast.**

where appropriate. The Chief Inspector also hosted a joint meeting of Chief Inspectors from the fields of Criminal Justice, Education, Health and Social Services from across the UK. Participants considered the issues of inspectorate reform and the occupational standards for inspection prepared by the Sector Skills council Skills for Justice at the meeting in March.

CJI hosted a seminar on the contribution made by the voluntary and community sector



**Kit Chivers and Brendan McGuigan meet Stella Burnside, Chief Executive of RQIA.**

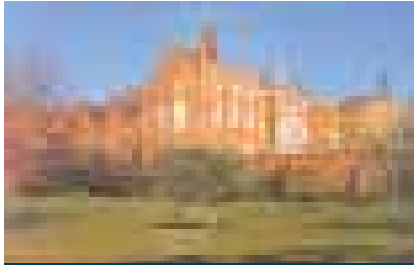
to the criminal justice system in Northern Ireland in November 2006. The seminar was attended by Helen Edwards, Chief Executive of the National Offender Management Service (NOMS) and key stakeholders from the voluntary and community sector including Olwyn Lyner from NIACRO.

Representatives of Government funding bodies and statutory agencies were also in attendance.

The Deputy Chief Inspector also raised the profile of CJI through



**Kit Chivers pictured with other panel members who addressed the Policing the Future Conference.**



**Bramhill Police Staff College.**

his involvement in a presentation to senior members of the Iraqi justice system at Bramhill Police Staff College in Hampshire where he spoke about the challenges faced post conflict for criminal justice systems.

He continued his efforts to publicise the organisation and the work it has undertaken in a presentation in Brussels to 20 members of the EUJUST LEX – the European Union Integrated Rule of Law Mission for Iraq.

In addition, CJI was invited to travel to Dublin to participate in

and give a presentation on the findings of CJI's report on the management of Hate Crime at a seminar organised to coincide with Intercultural and Anti-Racism Week in the Republic of Ireland. The event was attended by the Deputy Chief Inspector.

During the last 12 months, Paul Mageean continued his involvement in a training programme for Arab lawyers. The programme is supported by the European Union and delivered by the Law Society of England and Wales feeding into the United Nations Development Programme on strengthening the rule of law in Arab countries.

He travelled to Morocco, Jordan, Egypt and Yemen to address prosecutors as an expert on human rights and the rule of law as part of the initiative, raising

CJI's profile in other countries through his participation.

## Stakeholder Conference

CJI hosted its third stakeholder conference in January 2007. The theme for this year's event was *Justice in a Changing Community*.



Over 120 people from across Northern Ireland's criminal justice agencies and the community and voluntary sector attended the one-day event making it the largest stakeholder conference CJI has held to date.

Kit Chivers opened the event with a speech examining the progress that had been made in



**Brendan McGuigan and Garda Síochána Commissioner Noel Conroy join other delegates who attended the Hate Crime seminar in Dublin.**



**Kit Chivers addresses delegates who attended the CJI 2007 Stakeholder Conference.**

stakeholders on its proposed inspection programme for 2007-08 and receive feedback on its performance to date.

Delegates split into four discussion groups looking at the issues of policing; legal matters including prosecution and the Courts; custody and human rights and probation and youth justice for a lively afternoon session.

As a result of the debates and feedback from stakeholders, CJI amended its proposed work programme to reflect the issues raised and the topics of interest discussed at the conference.

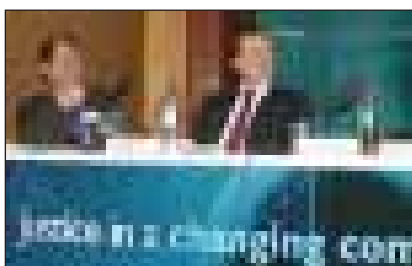
The conference was covered in the March edition of CJI's newsletter *The Spec* and a condensed version of the Chief Inspector's speech was reproduced for distribution alongside the magazine.

the justice system, while Brendan McAllister, director of Mediation Northern Ireland looked at the topic of justice in a changing community. The Chief Constable Sir Hugh Orde, and Paul Goggins MP, Minister for Security, Policing and Prisons also addressed the conference.

Prof. Kieran McEvoy from the Institute of Criminology and Criminal Justice at Queen's University, Belfast examined the challenges faced by the community in Northern Ireland before a panel discussion involving Patrick Yu (NICEM) and James Knox (CoSo) commenced.

During the afternoon session, delegates were addressed by Kathleen O'Toole, Chief Inspector of the Garda Síochána Inspectorate who carried out her first public speaking engagement in Northern Ireland since taking up her post.

The full day programme also allowed CJI to consult its



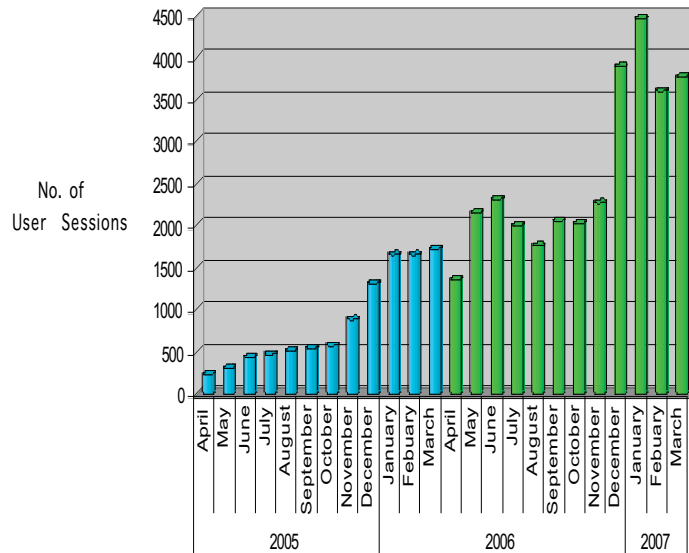
**Patrick Yu (NICEM) and James Knox (CoSo).**



**Kathleen O'Toole, Kit Chivers, Paul Goggins, MP and Sir Hugh Orde at the CJI Stakeholder Conference 2007.**



Criminal Justice Inspection Web Stats - April 2005 March 2007



The content of the Chief Inspector's speech was also made available on the Inspectorate's website – [www.cjini.org](http://www.cjini.org).

## Website development

In 2006-07, CJI continued to develop its website. The organisation recognises its need to develop a high electronic profile and ensure it maintains a user-friendly site.

A short in-house review of the website was carried out in August 2006 and as a result, the profiles of all Inspection staff and the Business Support Team members were overhauled and updated.

The News and Publications section of the website was re-designed to give the press release page more impact and make it more user friendly. An archive system for older press releases was created.

CJI also included more photographs on its website to make it more attractive and increase its visual impact for the user.

The Inspectorate standardised its web publication formats to ensure that all visitors to the site would have full access to all published documents.

Since 2005, the number of sessions recorded on the CJI site has steadily increased, especially at times when the Inspectorate is publishing its reports.

CJI's on-line Blog continues to develop. It remains an informal communications tool which CJI uses to keep users of its website informed of its activities and publications as they happen.

During the next financial year, CJI intends to carry out a full review of its website. CJI also

hopes to introduce an intranet site for CJI staff and to formalise its web publication policy.

## Style Guide

A style guide was developed by the Media and Communications Officer during 2006-07 for use by all staff throughout the organisation.

The style guide was compiled as a reference tool which would help ensure all CJI written, printed or electronically published material appeared in a standard format.

By adopting this corporate approach, CJI can further strengthen its corporate image.

It is envisaged the style guide will be a living document which is reviewed on an annual basis to take account of change and organisational developments.



Plans are already in place to develop an electronic template which follows the guidance provided in the style guide which Inspectors can use for report writing.

## Corporate re-branding

In line with CJI's commitment to increasing its public profile, the Inspectorate chose to re-brand the organisation, adopting an innovative lens graphic for use throughout its reports and publicity material.

CJI also took this opportunity to update its information leaflet and re-design the masthead and layout of its newsletter to make it more reader friendly.

The re-branding exercise was carried out at the request of the Management Team in consultation with CJI's graphic design team and was carried through to the staging used at the Stakeholder Conference.



CJI aims to ensure it retains a strong, fresh image which compliments its forward-thinking approach to inspection as the organisation grows and develops in the coming years.

## The Spec



Four issues of CJI's newsletter *The Spec* were published in 2006-07.

The newsletter – which is circulated to over 1000 recipients – is viewed as an essential communications tool that can be used to keep stakeholders up-to-date with the Inspectorate's activities.

*The Spec* is available in both printed and electronic versions. It was updated as part of this year's corporate re-branding exercise.

As the newsletter is already well received by recipients CJI hopes to increase its circulation in 2007-08.



## Omnibus Survey

CJI commissioned Ipsos MORI to carry out a second omnibus survey in early 2007.

Results of the survey showed over 50% of people who were aware of the organisation believed it was in a position to carry out fair inspection of agencies within the criminal justice system.

This figure represented a slight increase when compared to the results of the 2006 survey.

CJI welcomed the cross-community endorsement of the organisation indicated by the survey.

The Inspectorate intends to use the survey results in the incoming year to increase awareness of CJI's role among residents of Northern Ireland and increase public confidence in the agency's ability to act independently of Government.



Some of the members of the Business Support Team.

## Business Support

CJI's Business Support Team is currently made up of five members of staff.

The size of the team reduced at the start of 2006-07 when one member of staff on secondment from the NIO returned to take up a post within Personnel Services Division.

CJI also welcomed its first three direct recruits to the Business Support Team. Linda Boal took up the post of Personal Assistant to the Chief and Deputy Chief Inspector's in April 2006, while Martina White transferred from the NIO after applying for the post of Business Support Officer in November 2006.

Amanda Hannan joined CJI as an Inspection Support Officer in October 2006. She has responsibility for providing administrative back-up and research assistance for members of the Inspection team.

A review of the position of Business Manager within CJI in February 2007 led to Sean Deegan combining the role with his responsibilities as Office Manager.

The Business Support Team continues to provide a range of functions including finance, personnel and IT support.

As CJI's Media and Communications activities have increased, members of the Business Support Team have demonstrated flexibility and enthusiasm in undertaking new tasks in support of the Media and Communications Officer.

They also continue to work to streamline existing systems and processes to support CJI's Inspectors and maintain an efficient, effective organisation.

## Skills for Justice

Skills for Justice remain as tenants within CJI's 7th floor office space as the organisation makes efforts to deliver the Shared Services agenda.

Skills for Justice have three staff whose role is to analyse and respond to training needs across the criminal justice sector in Northern Ireland.

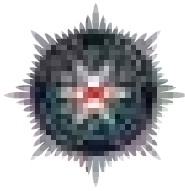
**Brendan McGuigan**  
Chief Executive and  
Accounting Officer  
17th October 2007



# Objectives of the Criminal Justice System in Northern Ireland

## Constituents of the Criminal Justice System

The criminal justice system (CJS) in Northern Ireland comprises six main agencies:



- The Police Service of Northern Ireland (PSNI);



- The Public Prosecution Service for Northern Ireland (PPSNI);



- The Northern Ireland Court Service, in respect of the criminal and Coroner's courts (NICtS);



- The Northern Ireland Prison Service (NIPS);



- The Probation Board for Northern Ireland (PBNI); and



- The Youth Justice Agency (YJA).

There are also a number of minor agencies such as Forensic Science Northern Ireland (FSNI) and the State Pathologist's Department which are essential elements of the system.

The remit of the Inspectorate goes wider than these core agencies to include other regulatory agencies which interface to a greater or lesser degree with the criminal justice system.

By contrast, there are other agencies, such as HM Revenue and Customs and the Assets Recovery Agency, which are important players in the criminal justice system but which are excluded from the remit of CJI.

The Court Service was not within CJI's remit in 2006-07 though with the Lord Chancellor's agreement it participated voluntarily in thematic inspections. It was subsequently added to the remit under s.45 of the Justice and Security (Northern Ireland) Act 2007.

## Ministerial responsibility

The Secretary of State for Northern Ireland is responsible for all aspects of the criminal justice system apart from:

- the Courts, which are the responsibility of the Lord Chancellor and Secretary of State for Constitutional Affairs, and
- the Public Prosecution Service, which reports to the Attorney General for Northern Ireland though it is funded by the Secretary of State for Northern Ireland.

Ministers of those three Departments meet together regularly to agree strategy for the criminal justice system. The co-ordination of criminal justice policy at official level is handled by the Criminal Justice Board, chaired by the Director of Criminal Justice in the NIO.

## Government objectives for the Criminal Justice System

The policies in force are set out in the NIO's Departmental Report, which incorporates targets and objectives agreed with the Treasury as part of the Public Service Agreement (PSA) underpinning the 2004 Expenditure Review.

The main PSA targets relevant to the work of CJI are:

### Objective 2

*To build and sustain confidence in the effectiveness and efficiency of the police service and police oversight and accountability arrangements in Northern Ireland.*

### Objective 3

*To promote and build confidence in a criminal justice system in Northern Ireland that is efficient, effective and responsive through implementing the published plan of agreed changes deriving from the accepted recommendations of the review of the criminal justice system established under the Good Friday Agreement.*

### Objective 5

*To lessen the impact of crime by working in partnership with other criminal justice agencies to maintain and develop policies aimed at preventing or reducing the threat of crime, the fear of crime and the incidence of crime and to provide support for the victims of crime.*

### Objective 6

*To ensure that the supervisory and custodial sentences imposed on offenders by the courts are delivered appropriately to protect the people of Northern Ireland and help reduce the risk of re-offending.*

### Objective 7

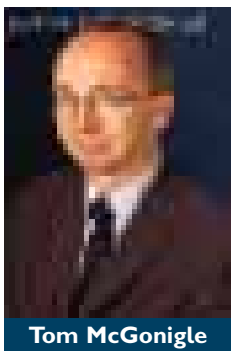
*To ensure a cost effective prison service.*

# Inspection Reports and Action Plan/Follow-Up Reviews

This section summarises the findings of the Inspection Reports published by CJI in 2006-07. During this year CJI carried out its first two Action Plan/Follow-Up Reviews<sup>5</sup> 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 of the major pieces of work undertaken by CJI in 2006-07 were not published until 2007-08. This includes the first baseline inspection of the Public Prosecution Service, the inspection of the Northern Ireland Resettlement Strategy and a thematic review of the handling of complaints within the criminal justice system.

## Maghaberry Prison



Tom McGonigle

A report on an announced inspection of Maghaberry Prison carried out by a team of inspectors from CJI, the Prisons

Inspectorate, the Northern Ireland Education and Training Inspectorate and the Adult Learning Inspectorate was published in May 2006.



The inspection looked at all aspects of prison life including education, offending behaviour programmes, regimes and healthcare, taking into account the views of external organisations involved in the work of Maghaberry as well as those of staff, prisoners and their families.

The report stated the policy of separating Loyalist and Republican prisoners had been costly in terms of money and the service offered to other prisoners. It also showed the number of prison officers required to staff separated accommodation meant other prisoners were more likely to be confined to their cells for longer periods of time without the opportunity to take part in purposeful activity.

The inspection of Maghaberry Prison looked at the average cost per prisoner place in Northern Ireland (£86,000)

which is at least twice as expensive as the highest security prison in England and Wales.

The report recognised that Maghaberry was a complex prison and highlighted the many commendable initiatives especially in terms of its pioneering work to prepare prisoners for their eventual return to the community and in helping them to maintain family links.

It also suggested the main changes needed could not be delivered by Maghaberry alone but would require a culture shift within the Prison Service.

The inspection was carried out in October 2005. An action plan was drawn up by the Prison Service in response to the report to coincide with its publication in May 2006.

Tom McGonigle was CJI's representative on this inspection.

<sup>5</sup> Action Plan Reviews/Follow-Up Reviews produced during the Accounting Period are published electronically on CJI's website. Parliament is made aware of the content of these reports through the Annual Report and Accounts.

## Avoidable Delay

Delay was confirmed as a major problem within the criminal justice system in Northern Ireland as a result of the findings of CJI's thematic report on Avoidable Delay.

The inspection led by James Corrigan revealed Crown Court cases were taking on average about a year from first appearance to disposal and that cases involving defendants in the magistrates' courts took significantly longer than in England and Wales.

CJI recommended that action should be taken to reduce the delay in dealing with youth cases and suggested a specific delay target should be introduced.

The report called for the adoption of a more joined up approach by all the criminal justice system in order to address delay. The Inspectorate urged the PSNI, PPS, Courts Service, Probation Board and Youth Justice Agency to develop a joint strategy with common targets and an action plan to provide a combined solution to the problem.

At the time of publication in May 2006 CJI's Chief Inspector welcomed the commitment given by Ministers and the various criminal justice agencies to reducing delay.



Kit Chivers (centre) and James Corrigan (left) present CJI's report on Avoidable Delay in the Criminal Justice System to Lord Goldsmith, Attorney General; Peter Hain MP, Secretary of State for Northern Ireland, Criminal Justice Minister David Hanson, MP, and Stephen Leach, NIO.

Following the publication of the report an inter-agency team was established by the Criminal Justice Minister, David Hanson MP, to develop a new strategy aimed at improving processing times for criminal cases.

The strategy and action plan was published before the end of 2006, and a Delay Action Team tasked to take the action plan forward.

CJI intends to revisit this report to assess progress in a follow-up review during 2007-08.

## Benefit Investigation Service

An inspection of the work of the Social Security Agency's Benefit Investigation Service (BIS) led by John Shanks was issued in May 2006.

BIS is a discrete unit within the Agency which investigates claimants suspected of committing the crime of benefit fraud.

The report showed the unit focused its resources on gathering intelligence, investigating fraud and prosecuting offenders.

While overall Inspectors found examples of professional and dedicated work, they identified significant scope to better utilise available information to improve the allocation of resources and intelligently target benefit fraud.

The report recommended that better co-ordination and communication within the Social Security Agency would assist in effectively countering benefit fraud.



The inspection report suggested there was a need to improve work management systems and that it was important, when a case of benefit fraud was proven, the sanctions applied were sufficient to act as a deterrent to others.

All recommendations contained within the inspection report were accepted by BIS and an action plan compiled by the Social Security Agency in response to the report was published alongside it.

John Shanks was assisted by Assistant Inspector Ian Craig in compiling this report.

## Causeway Information System

CJI commenced its series of reports on the innovative Causeway information system, which enables information to be shared electronically between different criminal justice agencies, this year.



Bill Priestley pictured with a copy of the Causeway inspection report.

The first inspection looked at the progress that had been made by the various organisations involved in the roll-out programme to identify lessons that could be learned to assist with the latter stages of the project.

CJI's Bill Priestley met with a steering group made up of senior representatives from the main agencies participating in Causeway to determine the scope for the inspection.

A list of key areas to be inspected was established, such as how information was placed on the system; business change; how organisations were moving to facilitate Causeway; the emerging and anticipated benefits it would bring; and the lessons that had already been learned in the preparatory stages.

The report – which was published in July 2006 – showed participating organisations had engaged positively in Causeway through the Programme Board.

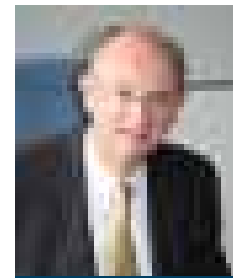
Inspectors also found Causeway had resulted in closer working relationships being established between the criminal justice organisations working to deliver the programme.

A total of 12 recommendations were made in the CJI report in response to areas where improvement could be made. These were accepted by the agencies involved in the project.

A second follow-up inspection

will be carried out during the 2007-08 business year.

## Corporate Governance in the Probation Board



Kit Chivers

An inspection on corporate governance within the Probation Board for Northern Ireland was published by CJI in the autumn of 2006.

The inspection was carried out by Chief Inspector Kit Chivers and Tom McGonigle.

It looked at the structures and functions of the agency and its Board as well as the relationships between the Board, the management, the staff and the sponsoring department, the Northern Ireland Office.

Inspectors found the Probation Board demonstrated appropriate procedures and had in place the relevant structures and accountability mechanisms for a medium-sized organisation.

Following the inspection, the Probation Board decided to undertake a restructuring designed to improve its functioning.

As a result of the restructuring two people were appointed to the posts of Chief Probation Officer and Chief Management Officer.

CJI's inspection report was recognised by the Probation Board as providing constructive input.

## The contribution of the Voluntary and Community Sector

CJI's Inspector Tom McGonigle carried out the first assessment of the input made by the voluntary and community sector in Northern Ireland to the criminal justice system during 2006-07.

The views of 85 different groups were sought during the fieldwork phase of the inspection, which was triggered by consultation with delegates who attended CJI's 2006 Stakeholder Conference.

The inspection report, which was published in November 2006, showed that organisations operating in these areas were making a significant contribution. It also showed that, despite the tensions that exist within the sector and between it and the official agencies, Northern Ireland's position compares favourably with elsewhere in the United Kingdom and the Republic of Ireland.

It also confirmed that the voluntary and community sector played a key role in developing diversionary schemes aimed at keeping young people from being drawn into crime and so minimising the number of young people who are imprisoned.

The report drew attention to the funding and accountability changes that were impacting on

the voluntary and community sector.

As a result of the review, CJI urged Government to engage in a more structured way with the voluntary and community sector. Funding agencies were also urged to enter into long term agreements to provide the financial security needed to allow such organisations to plan ahead.

The Inspectorate made eight recommendations for improvement in the report and indicated it intends to revisit the subject in three years.

## Community Safety Partnerships



Paul Mageean

CJI's Paul Mageean took the lead in an inspection of community safety partnerships (CSPs) and the contribution they make to the criminal justice system.

A report published in November 2006 showed Inspectors were impressed by the commitment shown by those involved with CSPs, especially given the fact they had developed voluntarily and lacked a legal basis.

The report explained that unlike District Policing Partnerships (DPPs) that were governed by a legislative framework, the



Tom McGonigle (left) and Brendan McGuigan (centre) pictured with Helen Edwards, Chief Executive of NOMS (second left) and Olwyn Lyner, NIACRO, at CJI's seminar on the contribution of the voluntary and community sector following the publication of CJI's report.



legislation concerning CSPs and their operation had not yet been brought into force.

CJI proposed the memberships of CSPs' operational and strategic tiers should be reviewed in an effort to increase the number of members from the private and community sectors.

The Inspectorate called for robust arrangements to be put in place to monitor attendance at CSP meetings and suggested the on-going Review of Public Administration (RPA) would provide an opportunity for the role of CSPs and DPPs to be reviewed and possibly integrated.

### Serious Case Review – The management of sex offenders in light of the murder of **Attracta Harron**

Criminal Justice Inspection was asked by the Criminal Justice Minister, David Hanson MP, to take on a specific piece of work examining the management of sex offenders in Northern Ireland following the murder of Mrs Attracta Harron.



CJI's inspection report.



Kit Chivers and Brendan McGuigan present the Inspectorate's findings at a press conference following the publication of the Serious Case Review.

Work on the report, which looked at the action taken by criminal justice agencies to strengthen current arrangements for managing sex offenders, commenced in August 2006.

The Chief Inspector, Deputy Chief Inspector Brendan McGuigan and Tom McGonigle carried out the inspection.

The Criminal Justice Minister was made aware of CJI's findings and its recommendations for further improvement before the report was published in December 2006.

The report confirmed that considerable progress had been made by all the criminal justice agencies involved in the management of sex offenders and that more robust measures had been put in place.

Seven recommendations were made in the report, including the need for Government to bring forward legislation to end the



Kit Chivers is interviewed on the findings of the Serious Case Review inspection report.

automatic release of dangerous offenders after they had served 50% of their sentence.

A recommendation that parole arrangements should be introduced in Northern Ireland was also included, along with recognition of the benefits a co-located public protection team would bring in terms of public safety.

As part of the Serious Case Review, CJI incorporated its

follow-up review of its 2005 report on the management of sex offenders in Northern Ireland.

At the time of publication, CJI gave a commitment that it would return to the subject in 2007 to assess new practices which had just been introduced prior to the publication of the report.

## Volume Crime and Police Bail



CJI published two separate reports looking at the issues of how the PSNI deals with volume crime and how it uses police bail.

**Volume crime** is defined as those categories that make up the bulk of crime incidents reported to the police.

During his examination of the subject Bill Priestley found that the Police Service approach to volume crime was erratic and varied from one District Command Unit (DCU) to another.



Probationer Constables attending crime scenes were often inexperienced and lacked the skills to deal with the range of investigations they were expected to undertake. The report recommended that a fully inclusive consultation process should be undertaken to identify the skills and knowledge required by officers and that training provided at the Police College should be tailored to match these needs.

CJI found the PSNI were beginning to implement the Professionalising Investigation Programme which should be targeted at areas experiencing the highest level of volume crime.

Inspectors also recommended that National Call Handling Standards should be implemented across the Service.

Paul Mageean from CJI led the inspection looking at the issue of **police bail**.

This inspection sought to establish if concerns that its improper use by the PSNI was contributing to delay in the criminal justice system were valid, and that the issue was not properly monitored by police.

The Inspectorate's report showed CJI Inspectors were satisfied the proper use of police bail and its potential for abuse was being taken seriously by the Police Service at an institutional level.

The issuing of lists of individuals on police bail to local District Commanders appeared to be having an impact.

Inspectors recommended that Custody Sergeants should be reminded the 28-day period was the maximum permitted period for release on police bail.

The report also noted that amending the NICHE records management system to include a mandatory field to include details of why and how many times a suspect had been released on bail would be of benefit.

## Hate Crime

A thematic inspection on how the criminal justice system deals with hate crime in Northern Ireland was published in January 2007.



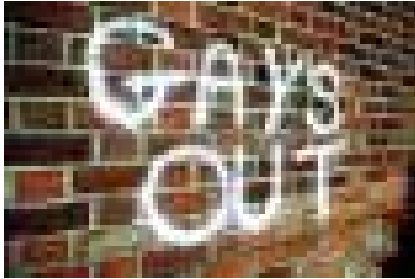
John Shanks

The inspection aimed to review the effectiveness of mechanisms across the criminal justice system to combat hate crime perpetrated against members of an increasingly diverse Northern Ireland community.

The inspection was led by John Shanks supported by Assistant Inspector Ian Craig.

For the purpose of the inspection, CJI chose to examine





hate crime in relation to religion/faith; ethnic minority/nationality; sexual orientation and disability.

A total of 19 recommendations were made as a result of the Inspectorate's findings.

Among those was a need for the adoption of a more consistent, integrated and systematic approach to the reporting, recording, investigation and prosecution of hate crime.

The report recognised the good policies and procedures in place within the PSNI for managing hate crime and the organisation's effort to engage with communities.

However the Police Service was urged to improve its clearance rates for hate crime cases.

The overall conclusion of the report was that finding solutions

to hate crime did not rest with the criminal justice system alone but with the whole of society in Northern Ireland.

## The Procurement of Goods and Services

In its thematic inspection on procurement, CJI examined how goods and services are acquired by the criminal justice system.

The report found that around £500m or just over one third of the overall budget of the criminal justice system is spent on non-pay related matters each year.

In order to obtain better value for money and to ensure fairness and equality in purchasing, the report recommended the criminal justice system develop its own procurement policy.

This would link in with improved procurement strategies in each of the criminal justice agencies to provide a more consistent approach to purchasing across the system.

CJI felt that establishing a consistent approach to purchasing would help maximise opportunities where savings could be made that would, in turn, increase public confidence in the system.

During the inspection Inspectors discovered that the legacy of the Troubles continued to impact on procurement mainly in terms of access to tender opportunities.

An independent survey of suppliers to criminal justice agencies in Northern Ireland carried out by CJI as part of the report showed more work needed to be done to ensure firms with limited experience of working within the criminal justice system were not disadvantaged.

The inspection was led by James Corrigan and was published in January 2007.



Ian Craig reviews the findings of the Procurement Survey questionnaire.

## ACTION PLAN/FOLLOW-UP REVIEWS

### State Pathologist's Department

CJI carried out its first follow-up inspection in 2006-07. The review of the State Pathologist's Department was published on the Inspectorate's website in October 2006.

The review revealed that at that time half of the recommendations for improvement contained in CJI's original inspection report had been achieved.

Inspectors found the quality of autopsy work carried out by the State Pathologist's Department to be of a high professional standard. They also found the quality of the forensic pathology service to be good.

The review noted that good progress had been made in preparation for the building of a new mortuary and accommodation for Department staff.

Inspectors however were disappointed by the slow progress in implementing some recommendations, especially in relation to areas such as the status, governance and accountability of the Department.

The review also highlighted the need for post mortem reports to be completed in less time.



James Corrigan

As a result of the findings of the review led by James Corrigan, CJI indicated it would carry out a second follow-up review to assess progress on the outstanding recommendations in 2007-08.

### Magilligan Prison

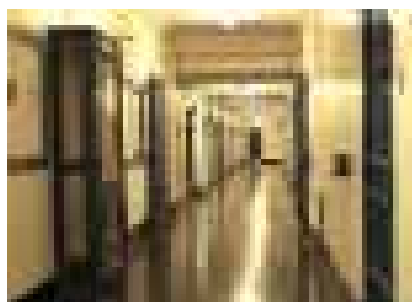
Tom McGonigle from CJI joined Her Majesty's Chief Inspector of Prisons



for a joint unannounced follow-up inspection of Magilligan Prison in December 2006.

The inspection looked at the progress that had taken place in implementing recommendations included in a previous inspection report published in 2004.

Inspectors found that while some progress had been made in all areas, the poor built environment of Magilligan and the limited role of residential staff prevented the prison from performing as well as it should.



The report commented on the outcomes for prisoners from different religions and ethnic backgrounds and their access to incentive schemes and the resettlement unit.

Inspectors noted that the range and opportunity for prisoners to engage in activities had increased and good work was taking place in specialist units.

An action plan was drawn up by the Northern Ireland Prison Service which will form the basis of the next inspection of the prison.

# Remuneration Report

## Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Governments departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Other directly recruited staff employed by Criminal Justice Inspection are remunerated in line with Northern Ireland Civil Service (NICS) pay agreements.

Seconded Northern Ireland Office staff are remunerated by the Northern Ireland Office in accordance with departmental pay agreements and although fully recharged to the Office of Criminal Justice Inspection, the seconding department remains the permanent employer with responsibility for their pay, allowances and pension.

## 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.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

## Salary and Pension Entitlements

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

## Remuneration

(audited information)

	2006-07		2005-06	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr K Chivers Chief Inspector	90 - 95	16,600	85 - 90	15,900
Mr B McGuigan Deputy Chief Inspector	60 - 65		60 - 65	

## Salary

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

## Benefits in kind

The benefit in kind paid to the Chief Inspector relates to an amount paid in lieu of pension contributions.

premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year

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 from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60.

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

## Pension Benefits

(audited information)

Name	Accrued pension at age 60 as at 31/03/07 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/07	CETV at 31/03/06	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr B McGuigan	0 - 5	0 - 2.5	51	33	14
	0	0			

Pension benefits are provided through the Civil Service Pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of

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 in the same way as in classic.

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 Civil Service pension arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It includes 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(h) of Note 1 to the Accounts (see page 47).

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

Under paragraph 6 of Schedule 8 of the Justice (Northern Ireland) Act 2002 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 Secretary of State. 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, total recognised gains and losses 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 Secretary of State, 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 Northern Ireland Office has appointed the Chief Executive as Accounting Officer for the Office of the Chief Inspector of Criminal Justice. His relevant responsibilities as Accounting Officer, including his responsibility for propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Body Accounting Officers Memorandum issued by the Treasury and published in Government Accounting.



**Brendan McGuigan**  
**Chief Executive and Accounting Officer**  
17th October 2007



# Statement of 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 Government Accounting. CJI's constitution is governed by a management statement and financial memorandum agreed with the NIO.

## 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 2007 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to handle risk

Responsibility for risk management within CJI previously rested with NIO staff. It currently 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 will be trained to manage risks in a way appropriate to their responsibilities and duties.

## The risk and control framework

In order to ensure risk management is effective, a risk register has been prepared, which includes all identifiable risks and prioritises them by likelihood and impact. Each risk has been assigned an owner who will be responsible for ensuring that the necessary actions are taken within a timescale. The risk register will be reviewed and updated accordingly.

The control framework is based on:

- The examination of financial management reports produced by Financial Services Division of the NIO.
- 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 NIO.
- A report by the internal auditors appointed by CJI who carried out an audit of its systems in January 2007.



## 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.

I am in the process of implementing recommendations made by the internal auditors to address weaknesses and ensure continuous improvement of the systems in place.

Current systems in place include the following:

- Regular reviews by senior management of risks at all levels within CJI.
- Establishment of key performance and risk indicators.
- 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.
- An Audit Committee has been established which meets twice each year.



**Brendan McGuigan**  
**Chief Executive and Accounting Officer**  
17th October 2007





## Section Two

### Accounts 2006-07

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

I certify that I have audited the financial statements of the Chief Inspector of Criminal Justice for the year ended 31 March 2007 under the Justice (Northern Ireland) Act 2002. These comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses 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 being audited.

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

The Chief Inspector of Criminal Justice and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Chief Inspector of Criminal Justice and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises only the Chief Inspector's Report, the Management Commentary, the Objectives of the Criminal Justice System in Northern Ireland, the Inspection Reports and Action Plan / Follow-up Reviews and the unaudited part of the Remuneration Report, is consistent with the financial statements. I also report 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.

In addition, I report to you if the Chief Inspector of Criminal Justice has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Chief Inspector of Criminal Justice's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Chief Inspector of Criminal Justice's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Chief Inspector of Criminal Justice and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Chief Inspector of Criminal Justice'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 and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error; 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland, of the state of Chief Inspector of Criminal Justice's affairs as at 31 March 2007 and of its net operating cost for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland; and
- information given within the Annual Report, which comprises only the Chief Inspector's Report, the Management Commentary, the Objectives of the Criminal Justice System in Northern Ireland, the Inspection Reports and Action Plan / Follow-up Reviews and the unaudited part of the Remuneration Report, is consistent with the financial statements.

## Audit Opinion on Regularity

In my opinion, 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.

## Report

I have no observations to make on these financial statements.

**John Bourn**  
Comptroller and Auditor General

12th November 2007

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

## Operating Cost Statement for the year ended 31 March 2007

	Note	Year ended 31 March 2007	Year ended 31 March 2006 (restated)
		£	£
<b>Operating Expenditure</b>			
Staff Costs	3	720,499	750,907
Other operating expenses	4	445,644	448,790
Depreciation	6	59,252	57,589
Notional Costs	5	17,480	18,544
Permanent diminution	6	3,035	1,888
<b>Total Operating Expenditure</b>		<b>1,245,910</b>	<b>1,277,718</b>
Credit in respect of notional costs and cost of capital	5	(17,480)	(18,544)
<b>Net Operating Cost for the year</b>		<b>1,228,430</b>	<b>1,259,174</b>

## Statement of total recognised Gains and Losses for the year ended 31 March 2007

		2007	2006 (restated)
		£	£
Net Operating Cost for the year	11	1,228,430	1,259,174
Net gain on revaluation of fixed assets	12	(6,542)	(3,101)
Realised element of depreciation transferred to general fund	12	2,505	2,155
<b>Total recognised losses for the year</b>		<b>1,224,393</b>	<b>1,258,228</b>

The notes on pages 45 to 55 form part of this account.

## Balance sheet as at 31 March 2007

	Note	31 March 2007 £	31 March 2006 (restated) £
<b>Fixed Assets</b>			
Tangible Assets	6	394,056	437,852
		<u>394,056</u>	<u>437,852</u>
<b>Current Assets</b>			
Cash	7	102,229	80,049
Prepayments	8	19,995	15,583
Debtors	9	-	11,007
		<u>122,224</u>	<u>106,639</u>
<b>Current Liabilities</b>			
Creditors due within one year	10	(66,435)	(23,620)
		<u>55,789</u>	<u>83,019</u>
<b>Net Current Assets / (Liabilities)</b>			
		<u>55,789</u>	<u>83,019</u>
<b>Total Assets less Liabilities</b>			
		<u><u>449,845</u></u>	<u><u>520,871</u></u>
<b>Financed By:</b>			
<b>Capital and Reserves</b>			
General Fund	11	423,982	499,045
Revaluation reserve	12	25,863	21,826
		<u>449,845</u>	<u>520,871</u>

Signed on behalf of the Office of the Chief Inspector of Criminal Justice in Northern Ireland.



**Brendan McGuigan**  
 Chief Executive and Accounting Officer  
 17th October 2007

The notes on pages 45 to 55 form part of this account.

## Cash flow statement for the year ended 31 March 2007

	Note	2006/2007 £	2005/2006 (restated) £
<b>Net cash (outflow) from continuing operating activities</b>	13	(1,109,732)	(1,307,241)
<b>Capital expenditure</b>			
Payments to acquire fixed assets	6	(18,087)	(11,001)
<b>Cash (outflow) before Financing</b>		<u>(1,127,819)</u>	<u>(1,318,242)</u>
<b>Financing</b>			
Grant-in-Aid	2	1,150,000	1,350,000
<b>Increase in Cash</b>	7	<u><u>22,181</u></u>	<u><u>31,758</u></u>



**Brendan McGuigan**

Chief Executive and Accounting Officer  
17th October 2007

The notes on pages 45 to 55 form part of this account.

# Notes to the Accounts

## 1. Accounting Policies

### (a) Basis of Accounts

The financial statements have been prepared on an accruals basis in accordance with the Accounts Direction given by the Secretary of State for Northern Ireland under paragraph 6 of Schedule 8 of the Justice (Northern Ireland) Act 2002 and the requirements of the Government Financial Reporting Manual (FReM). The accounts are prepared using the historic cost convention modified by the inclusion of fixed assets at current cost.

### (b) Accounting Conventions

The accounts meet:

- (i) the accounting and disclosure requirements of the Companies NI Order to the extent that such requirements are appropriate to CJI and are in line with the requirements of the Accounts Direction;
- (ii) standards issued by the Accounting Standards Board;
- (iii) disclosure and accounting requirements of the Treasury; and
- (iv) the requirements of the Accounts Direction and the Financial Memorandum issued to CJI by the Secretary of State for Northern Ireland.

### (c) Income

CJI is funded by Grant-in-Aid from the NIO, request for resources 1.

### Change in accounting policy

With effect from the 2006/07 reporting period the FReM requires Non-Departmental Public Bodies to account for Grant-in-Aid funding received for revenue purposes as financing because it is regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPB's. This is a change from earlier periods where this funding was recorded as income in the Income & Expenditure account. The effect of this change on the certified 2005/06 financial statements and the impact of the change on the results of the current year is shown below.

Grant-in-Aid received towards the purchase of fixed assets in general is also credited directly to the General Fund.

There is no effect on the net asset position of the Criminal Justice Inspection Northern Ireland as a result of this change in policy.



## Impact of new policy on 2005/06 financial statements

	At 31 March 2006 (without applying the new policy) £	Impact of adopting the new policy £	At 31 March 2006 (applying the new policy) £
Net Operating Cost for the year (previously total surplus for the year)	82,902	(1,342,076)	(1,259,174)
General Fund	478,806	20,239	499,045
Government Grant Reserves	20,239	(20,239)	-
	499,045	-	499,045

The impact on the Net Operating Cost for the year of £1,342,076 consists of £1,336,800 of revenue Grant-in-Aid no longer being treated as income and £5,276 Government Grant release no longer being released through the Income and Expenditure account (now the Operating Cost Statement), resulting in an increased amount being charged through the General Fund (note 11).

## Impact of new policy on 2006/07 financial statements

	At 31 March 2007 (without applying the new policy) £	Impact of adopting the new policy £	At 31 March 2007 (applying the new policy) £
Net Operating Cost for the year	(82,152)	(1,146,278)	(1,228,430)
General Fund	400,021	23,961	423,982
Government Grant Reserves	23,961	(23,961)	-
	423,982	-	423,982

The impact on the Net Operating Cost for the year of £1,146,278 consists of £1,138,913 of revenue Grant-in-Aid no longer being treated as income and £7,365 Government Grant release no longer being released through the Income and Expenditure account (now the Operating Cost Statement), resulting in an increased amount being charged through the General Fund (note 11).

**(d) Fixed Assets**

Assets (both tangible and intangible) are capitalised as Fixed Assets if they are intended for use on a continuous basis and their original purchase cost, on an individual or grouped basis, is £1,000 or more. Fixed Assets are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics. Any surplus on revaluation is credited to the Revaluation Reserve. A deficit on revaluation is debited to the Income and Expenditure Account if the deficit exceeds the balance on the Revaluation Reserve.

**(e) Depreciation**

Depreciation is provided on all Fixed Assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life as follows:

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

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

**(f) Notional Charges**

A notional charge, reflecting the cost of capital utilised by CJI, is included in the operating costs. The charge is calculated at the government's standard rate of 3.5% in real terms using the average net book values of the assets and liabilities.

In addition, the accounts reflect a notional charge in respect of services provided by the NIO on behalf of CJI. The calculation is based on a formula for unit cost per person multiplied by CJI's staff numbers.

**(g) Value Added Tax**

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

**(h) Pensions**

Past and present employees are covered by the provisions of the Civil Service Pension Schemes (CSPS) 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 Principal Civil Service Pension Schemes (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.

## 2. Income

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<b>HMG</b>		
Grant-in-Aid received from the Northern Ireland Office, Request for resources 1, for revenue expenditure	1,138,913	1,336,800
<b>HMG</b>		
Grant-in-Aid received from the Northern Ireland Office, Request for resources 1, for capital expenditure	11,087	13,200
<b>Total Grant-in-Aid Received</b>	<b>1,150,000</b>	<b>1,350,000</b>

CJI is funded through Grant-In-Aid.

## 3. Staff Costs and Numbers

### (a) Chief Inspector's Remuneration

During the year the Chief Inspector's total remuneration was £108,689 (£105,268 in 2005/06). The Chief Inspector is not a member of the Principal Civil Service Pension Scheme.

### (b) Staff Costs incurred during the period were as follows

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<b>Amounts payable in respect of directly employed staff of CJI:</b>		
Salaries and Emoluments	499,338	427,158
Social Security Contributions	46,629	43,053
Pension Contributions	85,750	72,325
<b>Total direct employee staff costs</b>	<b>631,717</b>	<b>542,536</b>
<b>Amounts payable in respect of staff on secondment, agency/ temporary staff and contract staff</b>	<b>88,782</b>	<b>208,371</b>
<b>Total Staff Costs</b>	<b>720,499</b>	<b>750,907</b>

CJI meets all the staff costs for seconded staff as these are incurred. Although these costs are fully re-charged to CJI, the seconding organisation remains the permanent employer with responsibility for their pay, allowances and pension.

(c) The average number of full time equivalent persons employed during the period was as follows:

	2007	2006
<b>Directly employed by CJI staff</b>		
Management and executive	2	2
Inspectors	6.5	7
Inspection Support	0.5	
Media and Communications	1	
Personal Assistant	1	
<b>Seconded, agency/temporary and contract staff</b>		
Management and executive	-	1
Administrative and support staff	3	4.5
<b>Total</b>	<b>14</b>	<b>14.5</b>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but CJI is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For 2006-07, employers' contributions of £85,750 were payable to PCSPS(NI) at one of four rates in the range of 16.5 to 23.5 per cent (2005-06: 16.5 to 23.5) and PCSPS at one of four rates in the range 17.1% to 25.5% (2005-06: 16.2% to 24.6 %) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2007-08, the salary bands will be revised but the rates will remain the same.

The contribution rates are set to meet the cost of the benefits accruing during 2006-07 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The remuneration report on pages 32 to 34 contains detailed pension information.

#### 4. Other Operating Expenses

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Inspections	49,281	91,746
Conference Fees	22,660	16,251
Printing, stationery, postage and publications	89,583	49,723
Repairs and Maintenance	5,451	1,502
Accommodation	171,893	161,130
Computer consumables	17,113	15,109
Professional Advisers	39,358	56,344
Hire of Equipment	2,008	1,825
Other equipment and expenses	11,675	12,677
Training	3,577	13,713
Hospitality	3,306	2,953
Travel and Subsistence	24,489	20,370
Audit	5,250	5,000
Loss on disposal	-	447
	<u>445,644</u>	<u>448,790</u>

#### 5. Notional Costs

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Cost of Capital	13,798	15,566
Notional Administration Costs	-	-
Notional Personnel Costs	3,682	2,978
	<u>17,480</u>	<u>18,544</u>

The notional administration and personnel costs relate to services provided by the NIO.

## 6. Tangible Fixed Assets

	Refurbishment Costs £	Furniture and Fittings £	Office Equipment £	Computer Equipment £	Total £
<b>Cost at 1 April 2006</b>	<b>429,576</b>	<b>33,299</b>	<b>10,038</b>	<b>61,065</b>	<b>533,978</b>
Additions	-	822	4,838	6,289	11,949
Disposals	-	-	-	-	-
Revaluation	8,164	648	(502)	(4,945)	3,365
<b>Cost at 31 March 2007</b>	<b>437,740</b>	<b>34,769</b>	<b>14,374</b>	<b>62,409</b>	<b>549,292</b>
<b>Depreciation at 1 April 2006</b>	<b>71,221</b>	<b>3,746</b>	<b>2,390</b>	<b>18,769</b>	<b>96,126</b>
Provided during the year	42,250	2,261	2,199	12,542	59,252
Depreciation on disposals	-	-	-	-	-
Backlog depreciation	2,156	114	(113)	(2,299)	(142)
<b>Depreciation at 31 March 2007</b>	<b>115,627</b>	<b>6,121</b>	<b>4,476</b>	<b>29,012</b>	<b>155,236</b>
<b>Net Book Value at 31 March 2007</b>	<b>322,113</b>	<b>28,648</b>	<b>9,898</b>	<b>33,397</b>	<b>394,056</b>
<b>Net Book Value at 31 March 2006</b>	<b>358,355</b>	<b>29,553</b>	<b>7,648</b>	<b>42,296</b>	<b>437,852</b>

**Payments to Acquire Fixed Assets:**

	£
Additions	11,949
Change in capital accrual	7,000
Less asset purchased last year but excluded from listing	(862)
<b>Amount paid in period</b>	<b>18,087</b>

**7. Cash in Bank**

	<b>31 March 2007</b>	<b>31 March 2006</b>
	£	£
Cash in Bank	102,229	80,049
	<b>102,229</b>	<b>80,049</b>

**8. Prepayments**

	<b>31 March 2007</b>	<b>31 March 2006</b>
	£	£
Accommodation	12,713	9,551
Other	7,282	6,032
	<b>19,995</b>	<b>15,583</b>

**9. Debtors**

	<b>31 March 2007</b>	<b>31 March 2006</b>
	£	£
Debtors	-	11,007

**10. Creditors due within one year**

	<b>31 March 2007</b>	<b>31 March 2006</b>
	£	£
Accruals	59,740	13,121
Capital Accruals	-	7,000
Other Creditors	6,695	3,499
	<b>66,435</b>	<b>23,620</b>

## 11. Reconciliation of General Fund

	<b>General Fund</b>
	<b>£</b>
<b>Opening balance at 1 April 2006 (restated)</b>	499,045
Grant-in-Aid received to fund capital expenditure	11,087
Grant-in-Aid to fund revenue expenditure	1,138,913
Transfer from income and expenditure account	(1,228,430)
Correction for asset purchased in 2005-06	862
Transfer from revaluation reserve	2,505
<b>Balance at 31 March 2007</b>	<b>423,982</b>

## 12. Revaluation Reserve

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2006</b>	21,826	20,880
Gain on revaluation	8,812	3,712
Backlog depreciation on revaluation upwards	(2,270)	(611)
Realised element of depreciation transferred to general fund	(2,505)	(2,155)
<b>Balance at 31 March 2007</b>	<b>25,863</b>	<b>21,826</b>

## 13. Reconciliation of Result for the Period to net cash flow from Operating Activities

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>(restated)</b>
		<b>£</b>
<b>Result for the year</b>	(1,245,910)	(1,277,718)
Depreciation	59,252	57,589
Diminution in fixed assets	3,035	1,888
Loss on disposal of fixed assets	-	447
Notional Costs	17,480	18,544
Change in debtors	6,595	(23,420)
Change in accruals and other creditors	49,816	(84,571)
<b>Net cash flow from operating activities</b>	<b>(1,109,732)</b>	<b>(1,307,241)</b>



## 14. Capital Commitments

At 31 March 2007 there was no capital commitments contracted for.

## 15. Commitments under operating leases

Payable in the following year relating to operating leases that expire:

	Buildings	Other	Total £
Within one year	-	-	-
Between one and five years	-	2,008	2,008
After 5 years	87,835	-	87,835
<b>TOTAL</b>	<b>87,835</b>	<b>2,008</b>	<b>89,843</b>

## 16. Contingent Liabilities

There were no contingent liabilities at 31 March 2007.

## 17. Post Balance Sheet Events

There were no post balance sheet events to report.

## 18. Related Party Transactions

CJI is a Non Departmental Public Body (NDPB) and is sponsored by the NIO. The NIO is regarded as a related party. During the accounting period CJI has had various material transactions with the NIO. In addition, CJI has had various transactions with other government departments and with HM Chief Inspector of Prisons.

None of the managerial staff of CJI has undertaken any material transactions with CJI during the year ended 31 March 2007.

## 19. Losses and Special Payments

There were no losses or special payments during the 12 months ended 31 March 2007.

## 20. Financial Instruments

FRS13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Due to the non-trading nature of its activities and the way in which Non-Departmental Public Bodies are financed, CJI is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies. CJI has no powers to borrow or invest surplus funds and has limited end year flexibility. Financial assets and liabilities are generated by day-to day operational activities and are not held to change the risks facing CJI in undertaking its activities.

As permitted by FRS13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been excluded from this disclosure.

### Liquidity Risk

CJI is financed by the NIO and is accountable to Parliament through the Secretary of State for Northern Ireland and is therefore not exposed to significant liquidity risk.

### Interest Rate Risk

All financial assets and financial liabilities of CJI carry nil rates of interest and are therefore not exposed to interest-rate risk.

### Currency Risk

CJI does not trade in foreign currency and therefore has no exposure to foreign currency risk.

### Fair Values

The book values and fair values of CJI's financial assets and financial liabilities as at 31 March 2007 are set out below:

#### Primary Financial Instruments

	<b>Book Value</b>	<b>Fair Value</b>
	<b>£</b>	<b>£</b>
<b>Financial Assets:</b>		
Cash at Bank	102,229	102,229
<b>Financial Liabilities:</b>		
None	N/A	N/A

The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on 12th November 2007.







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