

Public Prosecution Service for Northern Ireland

# Annual Report & Resource Accounts 2011-12



Independent, Fair and Effective



Public Prosecution Service for Northern Ireland

# Annual Report & Resource Accounts 2011-12

Annual Report presented to Parliament by the Advocate General for Northern Ireland under section 42(6) of the Justice (Northern Ireland) Act 2002.

Resource Accounts Presented to Parliament by Command of her Majesty.

Annual Report laid before the Northern Ireland Assembly by the Attorney General for Northern Ireland under section 42(6) of the Justice (Northern Ireland) Act 2002.

Resource Accounts laid before the Northern Ireland Assembly by the Department of Finance and Personnel under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Ordered by the House of Commons to be printed on 4 July 2012.

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ISBN: 9780102979268

Printed in the UK by The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office

ID 2497175

07/12

Printed on paper containing 75% recycled fibre content minimum.



# Annual Report and Resource Accounts



# Contents

<b>Foreword by the Attorney General for Northern Ireland</b>	<b>4</b>
<b>Foreword by the Advocate General for Northern Ireland</b>	<b>6</b>
<b>Part 1: Annual Report</b>	
<b>Director's Report</b>	<b>10</b>
<b>Management Commentary</b>	<b>15</b>
<b>Overview of Performance for the year 2011-12</b>	<b>18</b>
Strategic Priority 1: Delivering an efficient and effective prosecution service	<b>19</b>
Strategic Priority 2: Building the confidence and trust of the community we serve	<b>25</b>
Strategic Priority 3: Strengthening our capability to deliver	<b>29</b>
Strategic Priority 4: Building the capability of our people	<b>34</b>
<b>Financial Performance during 2011-12</b>	<b>37</b>
<b>Remuneration Report</b>	<b>40</b>

## Part 2: Resource Accounts

<b>Statement of Accounting Officer’s Responsibilities</b>	<b>50</b>
<b>Statement on Internal Control</b>	<b>51</b>
<b>The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly</b>	<b>62</b>
<b>Financial Statements for the Year Ended 31 March 2012</b>	<b>65</b>
<b>Notes to the Financial Statements</b>	<b>71</b>

## Part 3: Annexes

<b>Annex A: PPS Organisation Chart</b>	<b>106</b>
<b>Annex B: Summary of Performance against Key Milestones 2011-12</b>	<b>107</b>
<b>Annex C: Summary of Performance against Key Delivery Targets 2011-12</b>	<b>111</b>



# Foreword

by the Attorney General for Northern Ireland

The period covered by this report has been one of enormous change for the Public Prosecution Service. During this period, it has been my privilege to appoint a new Director and Deputy Director to lead the organisation through the many challenges which lie ahead.

Mr Barra McGrory QC is only the third person to be appointed Director of Public Prosecutions for Northern Ireland since that position was created by the Prosecution of Offences (Northern Ireland) Order 1972. Mr McGrory brings to the position a wealth of experience in criminal law.

By virtue of the provisions of the Justice (Northern Ireland) Act 2002, my relationship with the Director is no longer one of superintendence, as was the case prior to 12 April 2010. The governance and accountability of the PPS is currently the subject of a consultation by the Department of Justice, however, as I commented in my foreword to the 2010-2011 PPS Annual Report and Resource Accounts, the quality of the relationship between the Attorney General and the Director is at least as important as the formal system which governs the relationship. In this regard I am pleased to say that the excellent relationship which I had with the previous Director and Acting Director has continued with Mr McGrory.

On April 2 of this year it was my pleasure to appoint Ms Pamela Atchison as Deputy Director. Ms Atchison is the first female lawyer to hold what is one of the most senior positions within the criminal justice system in Northern Ireland. I believe that her many years experience in the Public Prosecution Service and its predecessor, the Department of the Director of Public Prosecutions, will be a hugely important asset for the Director and the entire organisation.

The period covered by this report has also seen the retirement of two very senior PPS lawyers who have served the Northern Ireland public with great distinction. The PPS have benefitted from the wise leadership of Mr Jim Scholes, who retired on 29 March 2012, over many years and not least in the period prior to the appointment of the present Director during which he led the Service as Acting Director. I greatly appreciate the co-operation and support which I received from him particularly in the initial period following my appointment. The retirement of Mr Raymond Kitson, who retired



**John F Larkin QC**  
*Attorney General for Northern Ireland*

on 28 October 2011, has deprived the Service of a wise and talented criminal lawyer. Mr Kitson has served the PPS and its predecessor with great distinction in a number of senior roles including as Acting Deputy Director. I wish to pay tribute to Mr Scholes and Mr Kitson for their service to the public during some of the most difficult and challenging times in Northern Ireland's recent history and to wish them well in their retirement.

Significant challenges lie ahead for the PPS, including working with partners in the criminal justice system to reduce avoidable delay, and continuing to build the trust of the community. I note the energy and skill with which the Director has set about meeting these challenges and I look forward to working with him and his colleagues for the benefit of the Northern Ireland public.



**John F Larkin QC**

Attorney General for Northern Ireland



# Foreword

by the Advocate General for Northern Ireland

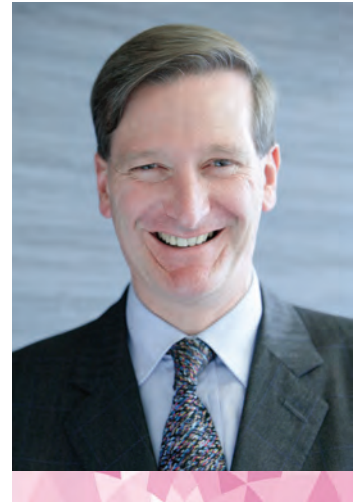
The Public Prosecution Service, established in June 2005, has grown in strength and maturity in the passing years. It has managed the very significant change brought about by the devolution for justice and policing and with increasing confidence publicly justifies its role and decisions at the very centre of the criminal justice system. I was pleased to note that in a recent survey carried out in Northern Ireland 70% of those who had heard of the PPS were very or fairly confident regarding the fairness and impartiality of the Service. Anyone with any knowledge of the history of criminal justice in Northern Ireland in recent times will understand how important that achievement is.

I acknowledge and applaud the stewardship of James Scholes as Acting Director for much of the year and welcome the appointment of Barra McGrory QC as Director of Public Prosecutions, who took up office in November 2011. He has inherited a Service that has achieved much in recent years but, as with all prosecuting agencies, one which needs to build better understanding of its decisions and greater public accountability if it is to maintain and increase public confidence. I am confident the Service is well placed to do this under its Director and Senior staff, and through the commitment and quality of all who work within it.

I look forward to working with the Attorney General for Northern Ireland and the Director in the coming year in helping the PPS maintain its success.



**The Rt Hon Dominic Grieve QC MP**  
Advocate General for Northern Ireland



**Dominic Grieve QC MP**  
*Advocate General for Northern Ireland*

# Part 1: Annual Report



# Director's Report

## **Introduction**

The Public Prosecution Service (PPS) presents its Annual Report and Resource Accounts for the financial year ended 31 March 2012. The accounts demonstrate the resources that have been used in delivering the Service's objectives.

The accounts have been prepared in accordance with the guidance set out in the Government Financial Reporting Manual and guidance as directed by the Department of Finance and Personnel and on the basis of a going concern.

## **Statutory Background**

The Public Prosecution Service was established on 13 June 2005 by the Justice (Northern Ireland) Act 2002. The Act creates the Public Prosecution Service and defines its statutory duties and commitments and the legislative framework within which it provides its services.

## **Accountability Arrangements**

Since the devolution of policing and justice to the Northern Ireland Assembly in April 2010, the PPS has been designated as a non-ministerial government department. Funding for the PPS is provided by the Northern Ireland Assembly through the bi-annual Estimate process (main and supplementary). As Accounting Officer for the Service, the Director of Public Prosecutions is responsible for ensuring that the public monies provided are used efficiently and effectively. All members of staff are Northern Ireland Civil Servants.

The resource expenditure of the PPS up to 2009-10 was reported within the Resource Accounts of the Northern Ireland Office, of which PPS was a part.

In May 2010 John Larkin QC was appointed as the Attorney General for Northern Ireland, as part of the devolved justice arrangements. The Justice (Northern Ireland) Act 2002 provides for the Director and Attorney General to consult with each other from time to time on any matter for which the Attorney General is accountable to the Northern Ireland Assembly. In accordance with the 2002 Act the functions of the Director shall be exercised by him independently of any other person.



At present a number of prosecutorial matters are reserved to Parliament at Westminster. Duties in respect of these matters are performed by the Advocate General for Northern Ireland, the Rt. Hon. Dominic Grieve QC MP, who is the Attorney General for England and Wales.

## Management Structures

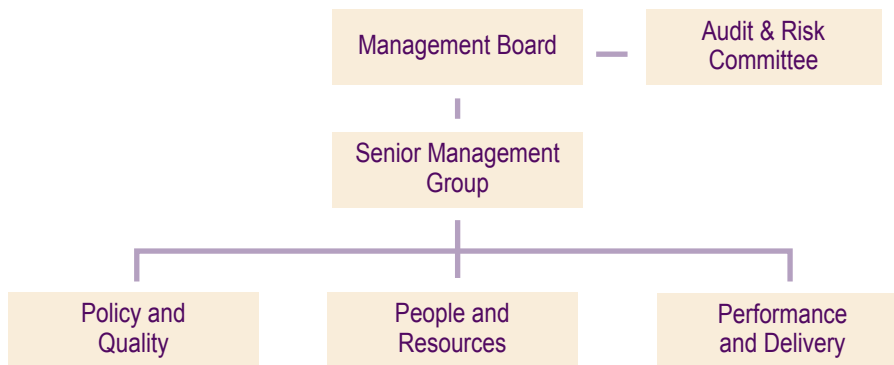
### *Management Board*

The PPS Management Board supports the Director in his leadership of the PPS and in reaching decisions on the strategic direction of the PPS, the development of appropriate strategy and in meeting his corporate governance responsibilities.

The Management Board comprises the PPS Senior Management Team (Director, Deputy Director and Senior Assistant Directors) and two independent members. Members of the Management Board in 2011-12 were:

- *Barra McGrory QC*  
Appointed as Director of Public Prosecutions and Accounting Officer from 7 November 2011.
- *James Scholes*  
Deputy Director of Public Prosecutions until retirement on 30 March 2012 (previously Acting Director and Accounting Officer from 29 September 2010 until 6 November 2011).
- *Raymond Kitson*  
Senior Assistant Director for Regional Prosecutions (Acting Deputy Director from 29 September 2010 until retirement on 28 October 2011).
- *Alice Quinn CB*  
Independent Board Member (until retirement on 30 June 2011).
- *Barry Hancock*  
Independent Board Member (until retirement on 30 June 2011).
- *David Hughes Hallett*  
Independent Board Member (appointed from 1 July 2011).
- *Christopher Welford*  
Independent Board Member (appointed from 1 July 2011)
- *Pamela Atchison*  
Senior Assistant Director for Central and Headquarters Functions.
- *Stephen Burnside*  
Senior Assistant Director for Regional Prosecutions (temporary appointment from 23 August 2010).
- *Ian Hearst*  
Senior Assistant Director for Finance and Resources (temporary appointment from 12 April 2010).

## PPS Board Structure 2011-12



The Board undertakes an annual evaluation of its performance. Every three years it formally considers its remit, membership and operating procedures.

The Board met on seven occasions during 2011-12.

### *Audit and Risk Committee*

The Management Board is assisted by the Audit and Risk Committee (ARC). The ARC consists of three members, all of whom are non executives; two of the members also sit on the Management Board:

- Christopher Welford (Chair)
- David Hughes Hallett
- Marian Killen

The remit of the ARC is to provide assurances to the Director that governance arrangements within the Service, including the management of risk, are operating effectively. The Committee functions in accordance with best practice contained in HM Treasury's Audit Committee Handbook and Corporate Governance Code of Good Practice.

During the financial year, the ARC met on five occasions and dealt with a wide range of issues relating to internal control, risk management, governance and accountability. These included the consideration of:

- risks reported by way of the corporate risk register;
- reputational risk;
- the quarterly statements of assurance;
- internal audit work plans and reports;
- information assurance;
- progress made against internal audit action plans;
- the Service's corporate governance framework; and
- the annual report and resource accounts for 2010-11.

### *Board Sub-Committees*

All sub-committees of the Management Board are chaired by a Management Board member and have clear terms of reference, covering the scope of any decision making and the reporting requirements for the Board.

The Senior Management Group (SMG), comprising the Deputy Director (as Chair) and Senior Assistant Directors, meets on a monthly basis.





Its purpose is to enable and coordinate the effective management of the full range of operational and strategic issues, on a formal basis. A particular role of the Senior Management Group is to ensure active and effective communication across the three Management Board Sub-Committees.

### **Corporate Governance**

The PPS is committed to high standards in corporate governance. The policy of the PPS is to ensure that effective risk management processes are maintained which serve to improve the quality of decision making and the ability to deliver on strategic and operational objectives. The PPS risk management framework complements the current Corporate Plan, Annual Business Plans and financial management arrangements which together provide the systems to manage the Service's resources.

The Corporate Risk Register is reviewed at each meeting of the Management Board, Senior Management Group and Audit and Risk Committee. The ongoing management of risk is the responsibility of all managers and staff across the Service.

On a quarterly basis, all senior managers within the Service are required to submit a Statement of Assurance. The purpose of these statements is to provide assurances to the Director with regard to the effectiveness of risk management, governance arrangements and the management of resources, finances and performance across the organisation. These confirm that systems of internal control are operating satisfactorily in practice and, where appropriate, draw the Director's attention to significant internal control issues.

Details of key corporate risks for the Service are set out in the PPS Annual Business Plans which are available via the PPS website.

### **Inspection and Internal Audit**

The PPS is subject to review by Criminal Justice Inspection Northern Ireland, within the provisions of Part 3 of the Justice (Northern Ireland) Act 2002.

Internal Audit provision within the PPS is provided by the Internal Audit Branch of the Department of Justice (DoJ). An annual programme of audits is agreed with the PPS Audit and Risk Committee, in consultation with the DOJ's Head of Internal Audit. The internal audit service is provided in accordance with the Government Internal Audit Standards. Details of audit activity during 2011-12 are set out at page 60.

### **Register of Interests**

All members of the Management Board are required to disclose significant interests or anything which may conflict with their responsibilities as Board members. A register of interests is maintained by the Service and conflicts of interest are declared at each Management Board meeting. Access to the register can be arranged by email request to [info@ppsni.gsi.gov.uk](mailto:info@ppsni.gsi.gov.uk).



### **Pension Liabilities**

The treatment of pension costs and liabilities is disclosed in the Remuneration Report and Notes 1.7, 8 and 20.1 to the accounts.

### **Disabled Persons**

The PPS follows the NICS Code of Practice on the Employment of Disabled People and aims to ensure that disability is not a bar to recruitment or advancement.

### **Equal Opportunities**

The PPS is committed to pursuing the NICS Equal Opportunities Policy whereby all staff have equality of opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for the work.

### **Payment of Suppliers**

PPS is committed to the prompt payment initiative which sets out a target for Northern Ireland Departments to pay supplier invoices within 10 working days of receipt. PPS payment processing is currently carried out by the Department of Justice.

For the year to end March 2012, PPS paid 69% of invoices within 10 working days. The PPS aims to improve this performance during 2012-13 with the introduction of a Central Fees Team to administer all payments to external counsel.

### **External Audit**

The Service's accounts are audited by the Comptroller and Auditor General (C & AG) as head of the Northern Ireland Audit Office. The C & AG and his staff are wholly independent of the PPS and he reports his findings to the Assembly. The C & AG's certificate is set out at page 62.

The audit of the financial statements for 2011-12 resulted in a notional audit fee of £40,500 and is included in the programme costs in the Statement of Comprehensive Net Expenditure.

As Accounting Officer I have taken appropriate steps to make myself aware of relevant audit information and to establish that the C & AG is aware of that information. To my knowledge there is no relevant audit information of which the C & AG is unaware.



**Barra McGrory QC**  
Accounting Officer  
21 June 2012

# Management Commentary

## Overview of the PPS

### PPS Vision and Aim

#### *Vision*

*To be recognised as providing a first class prosecution service for the people of Northern Ireland.*

#### *Aim*

*To provide the people of Northern Ireland with an independent, fair and effective Prosecution Service.*

### PPS Function and Role

The PPS is the principal prosecuting authority in Northern Ireland. In addition to taking decisions as to prosecution in cases investigated by the police in Northern Ireland, it also considers cases investigated by other statutory authorities, such as HM Revenue and Customs.

The primary role of the PPS is to reach decisions to prosecute or not to prosecute and to have responsibility for the conduct of criminal proceedings. A range of additional services are available which have been designed to enhance the effectiveness of the Service, including the provision of prosecutorial and pre-charge advice and an enhanced service to victims and witnesses.

A range of options is also available for dealing with offenders other than through prosecution. These options include restorative cautioning, informed warnings and youth conferencing. Prosecutors may also refer offenders to the NI Driver Improvement Scheme or to a Community Restorative Justice Scheme.

### PPS Structures

The PPS is a regionally based organisation. There are four regions, each coterminous with one or more court divisions. Each of the four regions is headed by a Regional Prosecutor (Assistant Director). The Regional Prosecutor has overall responsibility for decisions as to prosecution and for the conduct of all prosecutions in that region, with the exception of those cases which are considered by prosecutors in Headquarters.

There are also a number of other sections within the Service, each headed by an Assistant Director, which deal with specialised areas of work. These include Central Prosecutions, Fraud and Departmental Prosecutions, Policy and Information and High Court and International Matters.

Corporate Services is responsible for support services including Finance, Human Resources, ICT, Business Assurance, Business Improvement, Management Information and Property Management. (see Organisation Chart, Annex A).

### **Regional Offices**

The PPS has opened six regional offices, known as 'Chambers'. These are located in Belfast (which serves as the headquarters of the PPS), Ballymena, Lisburn, Londonderry, Omagh and Newry. Each regional office provides the full range of services. For example, each office includes a Community Liaison function which provides information to victims and witnesses regarding the progress of their case and arranges for their attendance at court.

An additional Belfast office, Linum Chambers, accommodates Fraud and Departmental Prosecutions and the various Corporate Services functions.

### **Caseload**

A total of 53,308 cases were received in 2011-12 compared with 58,821 in 2010-11.

### **Prosecution Decisions**

Prosecutions are instituted or continued only where the public prosecutor is satisfied that the Test for Prosecution is met. The Test for Prosecution is met if:

- The evidence which can be adduced in court is sufficient to provide a reasonable prospect of conviction – the Evidential Test; and
- Prosecution is required in the Public Interest – the Public Interest Test.

The Test for Prosecution is the key element in the Code for Prosecutors issued under section 37 of the 2002 Act. The Code gives guidance on the general principles to be applied in determining in any case whether criminal proceedings should be brought, what charges should be preferred and how prosecutions should be conducted. It also sets out the standards of conduct that the PPS requires from prosecutors including external counsel instructed on behalf of the Director.

The evidential Test for Prosecution was met in the majority of cases considered by public prosecutors during 2011-12. Of the 63,628 persons subject to a prosecutorial decision during 2011-12, more than seven-tenths (72%) were issued with a decision for prosecution or for diversion from the courts. This was a similar outcome to the previous year (72%).

### **Conduct of Prosecutions**

Normally prosecutions in the Magistrates' and Youth Courts, and appeals at the County Court, are conducted by public prosecutors. Generally, external counsel represent the PPS at the Crown Court, High Court and the Court of Appeal. In performing this role members of external counsel are essential to the effective delivery of PPS services.

The PPS has established a panel scheme for the instruction of external counsel. Where possible, all counsel instructed by the PPS are drawn from this panel. All panel members are required to comply with the policies and guidance of the Director in the conduct of prosecutions, the PPS Advocacy Standards and with the PPS Code of Ethics. It is intended to extend the use of PPS Prosecutors as advocates in Crown Court cases and during 2012-13 a number of 'Higher Court Advocates' will be appointed by the Service.

### **Working in Partnership: Criminal Justice System Northern Ireland (CJSNI)**

The PPS works in partnership with the Police Service of Northern Ireland, the Northern Ireland Courts and Tribunals Service, the Northern Ireland Prison Service, the Probation Board for Northern Ireland, the Youth Justice Agency and the Department of Justice, as part of the Criminal Justice System Northern Ireland.

The Director is a member of the Criminal Justice Board which comprises the Heads of these Services. Its shared purpose is to deliver a criminal justice system which serves and protects the people of Northern Ireland and in which the whole community can have confidence.

The Director is also a member of the Criminal Justice Delivery Group which is chaired by the Minister of Justice. This was established by the Minister to improve engagement between the most senior leaders within the criminal justice system, and to provide strategic oversight to the work of the Criminal Justice Board.

# Performance for the Year 2011-12

## PPS Corporate Plan 2011 - 2014

The current PPS Corporate Plan, published in June 2011, is based around four strategic priorities. Within each priority area a number of objectives have been set out as the focus of our work programme for the three year period and which will progress the delivery of our vision for the Service.

### Strategic Priority 1:

#### Delivering an efficient and effective prosecution service

- To promote the highest standard of prosecutorial decision-making and case preparation and, where appropriate, prosecute in the most effective manner (Objective 1.1).
- To work with partners to improve our service delivery and reduce avoidable delay (Objective 1.2).
- To develop and embed our advocacy strategy (Objective 1.3).

### Strategic Priority 2:

#### Building the confidence and trust of the community we serve

- To provide an enhanced service to victims and witnesses (Objective 2.1).
- To engage effectively with stakeholders and the wider community (Objective 2.2).

### Strategic Priority 3:

#### Strengthening our capability to deliver

- To provide greater value for money through the improved management of resources and develop our resource planning in the context of the NICS Reform Programme (Objective 3.1).
- To strengthen our accountability as a non-ministerial department by developing and maintaining a transparent and effective governance framework (Objective 3.2).





#### **Strategic Priority 4:**

##### **Building the capability of our people**

- To develop our staff and promote a culture of continuous improvement (Objective 4.1).

##### **Key Performance Milestones and Delivery Targets for 2011-12**

2011-12 was the first year covered by the Corporate Plan. The Annual Business Plan set out how the PPS objectives were to be taken forward and included twenty-six performance milestones for the year, spanning the four PPS strategic priorities. Sixteen of these milestones were achieved and a further four were achieved in part. Five milestones were deferred by the Management Board as they could not be achieved, largely due to external factors. One objective was not achieved (see below and Annex B).

The Annual Business Plan for 2011-12 also included a total of nineteen key delivery targets against which the performance of the Service was to be measured. Details of the Service's performance for the year are presented at Annex C.

#### **Strategic Priority 1:**

##### **Delivering an efficient and effective prosecution service**

##### **Legal Quality Assurance**

###### *Quality Assurance Team*

The Quality Assurance Team's work programme for 2011-12 was agreed in April 2011 and included a number of thematic reviews. The main reviews conducted during the year focused on the following case types:

- Those involving a primary offence of rape where the decision was for no prosecution;
- Successful No Bill applications; and
- Decisions taken for no prosecution on the grounds of public interest.

Each Quality Assurance report sets out a number of issues for the PPS to address, as well as recommendations for service improvement. The Team's findings will also be used to inform legal training requirements for the year ahead.

###### *Dip Sampling*

A key component of the PPS's legal quality assurance arrangements is the dip sampling of cases by Regional Prosecutors / Assistant Directors and Senior Public Prosecutors.



The results of dip sampling, which is carried out on a monthly basis, are recorded on the Case Management System.

During the year, more than 900 cases were dip sampled. An analysis of the findings has shown the quality of decision-making to be generally high and the key performance indicator in this area has been met (see page 111).

### *Guidance to Prosecutors*

Guidance was issued to prosecutors on a range of legal and policy issues including: immediate diversions; reliance upon novel forensic evidence; the recording of statute barred cases; the granting of special measures; procedures for the referral of cases stated, judicial reviews, appeals on a point of law and unduly lenient sentences; and the service of disclosure.

Arrangements are in place for all significant judgments delivered by the Court of Appeal, Supreme Court and European Court of Human Rights to be passed to Policy Section to ensure that any learning points are identified and promulgated to staff.

### **Policy Development**

During May / June 2011 a number of events were held at PPS Headquarters to mark the official launch of several PPS policies, including the policies on hate crime, the prosecution of road traffic offences and the prosecution of offences of rape. Guests at the events included representatives from organisations across the criminal justice system and the voluntary sector.

Two new policy statements, on handling cases involving people trafficking and dealing with youth offenders, had been scheduled for release during 2011-12. These releases were deferred due to the number of competing demands on the Policy and Information Section, including liaison with Criminal Justice Inspection and the Department of Justice. The new policies will now be released during 2012-13. Both policy statements will set out clearly the standards and levels of service which all stakeholders can expect and will be subject to a period of public consultation.

### **Tackling Avoidable Delay**

The improvement of service delivery, and, in particular, a reduction in avoidable delay in expediting prosecution cases, is a priority for the PPS and its criminal justice partners, working as part of the Criminal Justice System Northern Ireland (CJSNI).

The PPS is participating in an overall programme agreed by the Criminal Justice Board to deliver speedier justice. The work is wide-ranging and covers a number of different strands. Key issues under consideration include administrative listing arrangements at court, statutory incentivisation of early guilty pleas and recommendations for legislative change, including the abolition of

committal proceedings and the introduction of alternatives to prosecution.

PPS senior management has also agreed a joint action plan to take forward the recommendations made by Criminal Justice Inspection following their thematic review of avoidable delay (June 2010). PPS continue to engage with PSNI, NICTS and other partners to ensure that the various initiatives outlined in the plan are delivered successfully.

The PPS is working with CJSNI partners to implement new performance standards for 2012-13. The standards, which were set out in 'shadow' form for 2011-12, will reflect the average processing times to be achieved by 31 March 2013 and will span the three court tiers; i.e. the Crown, Magistrates' and Youth Courts. There will also be specific PPS targets for decision-making in respect of cases in the Magistrates' and Youth Courts.

It should be noted that a number of timeliness targets set out in the PPS Annual Business Plan for 2011-12 were not met (see Annex C). This performance must be viewed in context. While there has been a reduction in the overall number of cases received compared with 2010-11, there has been an increase of over two-fifths in the most serious categories of case (see table below).

#### Files Submitted to the PPS Regions by 'Case Weight' Category 2010-11 and 2011-12

<b>PPS Case Weight Category</b>	<b>2010-11</b>	<b>2011-12</b>	<b>% Change</b>
Categories 1 – 4 *	4,098	5,847	43%
Categories 5 – 8 **	52,510	45,551	-13%
<b>All Cases (Regions only)</b>	<b>56,608</b>	<b>51,398</b>	<b>-9%</b>

\* Includes homicide, serious sexual offences, serious fraud / dishonesty and other grave offences, for example causing death by dangerous driving, grievous bodily harm, arson, armed robbery, drug trafficking etc. Cases in categories 1 – 4 are typically considered by Senior Public Prosecutors.

\*\* Includes a range of offences involving violence, damage, theft of property, or drugs (for example assault occasioning bodily harm, shoplifting, criminal damage and possession of a Class B controlled drug), as well as a wide range of motoring offences. Cases in categories 5 – 8 are typically considered by Public Prosecutors.

A range of measures were utilised during the year to manage caseloads and improve timeliness. These included greater flexibility in the use of prosecutors across the PPS regions and the appointment of temporary Public Prosecutors.

### *Decision Information Requests*

A Decision Information Request (DIR) is issued by PPS to police where the evidence and information contained in an investigation file is incomplete and a further written report or action from the police is required. The time taken for DIRs has been identified as a key issue in delay, particularly in more serious cases; over half of the indictable prosecution decisions issued by PPS during 2011-12 required one or more DIRs. An improvement in the preparation of investigation files by police should provide significant efficiency savings and PPS continue to work with PSNI to address the issue. It should be noted that performance by the PPS in respect of its own internal targets includes the time taken by police to respond to DIRs. This adds significantly to the overall time attributable to PPS.

In January 2012, work commenced on a new PPS initiative which is aimed at achieving a substantial reduction in the volume of DIRs in indictable cases. The initiative, to be introduced on a pilot basis, will involve PPS prosecutors engaging with police early in the case preparation stage. This will ensure that investigators have a clear understanding of the Service's evidential requirements in the event of a prosecution and should lead to a reduction in the number of incomplete files.

### **Criminal Justice Inspection Northern Ireland**

During 2011-12 the Chief Inspector published a number of reports which focused on the work of the PPS and its interface with partner agencies. These included Securing Attendance of Witnesses at Court (June 2011), Use of Legal Services (June 2011), Youth Diversion (July 2011), and Victims and Witnesses (December 2011).

In addition a number of inspections have commenced during the year, examining the following issues:

- The Giving of Reasons by PPS;
- Special Measures;
- Mental Health;
- PPS Corporate Governance;
- PPS Advocacy;
- Anti-Social Behaviour; and
- Early Guilty Pleas.

The Service will respond to the inspection reports by producing detailed action plans. Where appropriate, action plans will be drafted in co-operation with CJSNI partners and the Assembly's Committee for Justice will be briefed on key initiatives.



## Working Arrangement with Partner Agencies

### *Development of Protocols and Service Level Agreements*

In addition to taking decisions as to prosecution in cases investigated by the police in Northern Ireland, the PPS also considers cases investigated by other statutory authorities. The Service is seeking to establish a series of service level agreements (SLAs) which will set out the working arrangements, roles and responsibilities of the PPS and relevant Departments and Agencies. It had been planned to have agreements in place with all departments and agencies by the end of 2011-12. However this has not been possible due to the need for detailed discussions with the individual bodies, for example regarding charging arrangements. All outstanding agreements will now be progressed during 2012-13. It should be noted that SLAs completed to date together account for over four-fifths of the cases received by the PPS Departmental Section.

### *PPS / PSNI Protocol*

PPS is committed to building and maintaining effective and properly structured working relationships with police. A protocol governing the relationship between PPS and police has been in place since 2003. The protocol has been subject to ongoing review and it had been anticipated that the PPS and police would produce an agreed draft during 2011-12. However this was postponed in order to allow the new Director to consider the draft. The revised document will now be signed off by the Director and Chief Constable during 2012-13.

During the year PPS has continued to contribute to the training of police officers.

### *Participation in CJSNI Working Groups*

The PPS has contributed to the work of the Criminal Justice Board and the range of sub-groups which report to it. These have included the Victims and Witnesses Task Force, the Hate Crime Sub-group, Public Information Working Group, Youth Justice Forum and Steering Groups on Domestic Violence and Sexual Offences.

### *Organised Crime*

During the year the PPS has continued to build effective working relationships with those criminal justice investigative agencies which have a particular focus on proceeds of crime issues, including restraint and confiscation. The PPS was instrumental in establishing a cross agency working group to discuss emerging trends and issues in this area of work. The group, chaired by PPS, has drafted a standard service level agreement and documentation which will be proposed for use by all agencies. It is anticipated that service level agreements will be agreed with the other agencies in 2012-13.

## **Alternatives to Prosecution**

The Justice (Northern Ireland) Act 2011 introduced a provision for prosecutors to give a 'conditional caution'; that is a caution with conditions attached with which the offender must comply. The Service is working in line with the legislative timetable to ensure that the necessary internal arrangements are in place for the introduction of conditional cautions, including any training requirements for staff.

During the year there have been discussions with PSNI and the Youth Justice Agency to take forward arrangements for an immediate youth conferencing scheme whereby PPS youth conference decisions can be made by telephone.

## **Advocacy**

### *Advocacy Standards*

Advocacy Standards, modelled on those in place in England and Wales, have been agreed and form the basis for the assessment of external counsel and 'in-house' advocacy. At present the performance of public prosecutors in the Magistrates' and Youth Courts is monitored and assessed by Senior Public Prosecutors against these standards.

The PPS Advocacy Working Group has considered the issue of monitoring and the assessment options in respect of external counsel, including the use of a regular monitoring return and the appointment of an independent assessor for advocacy. The enhanced arrangements will be put into place in 2012-13.

### *Higher Court Advocacy*

It is intended to extend the use of PPS prosecutors as advocates in Crown Court cases. Following an internal competition three Higher Court Advocates (HCAs) were appointed in April 2010 to participate in a fifteen month pilot scheme.

An interim evaluation of the pilot has demonstrated the potential of the scheme and, subject to approval of the business case by DFP, it is anticipated that a number of permanent HCAs at Senior Public Prosecutor level will be appointed in 2012.

### *Panel Counsel Scheme*

In 2009 the Service established a Panel Scheme for the instruction of external counsel. It had been intended to refresh the panel, via an open competition, by the end of the 2011-12 financial year. However, with the approval of DFP, the life of the existing panel was extended. This was in order to allow an assessment of the Higher Court Advocacy pilot as the appointment of in-house advocates will influence the size of the panel. It is anticipated that the new panel will be in place by November 2012.



## Strategic Priority 2:

### Building the confidence and trust of the community we serve

#### Services to Victims and Witnesses

Improving services and support is vital to building effective relationships between victims and witnesses, the PPS, and the criminal justice system. Work on the development of PPS services in this area is ongoing, both internally and in conjunction with stakeholders.

The PPS is a member of the inter-agency Victim and Witness Taskforce (VWTF) established under the authority of the Criminal Justice Board. The Service is also actively engaged in a range of inter-agency subgroups established to take forward VWTF initiatives, such as witness service referral and the analysis of cross-cutting training requirements for staff engaging with victims and witnesses.

#### *Electronic Referral Schemes*

The electronic referral scheme for young witnesses, which was implemented in January 2010, is working effectively. Just under 1,100 referrals were made during 2011-12.

During the year more than 12,500 referrals were made to the equivalent scheme for adult witnesses, operated in conjunction with Victim Support Northern Ireland.

#### *PPS Victim Care Working Group*

A working group has reviewed various aspects of the services PPS provide to victims and witnesses. A key work area has been the revision of existing correspondence issued by PPS to ensure that all letters are clear, easier to read and address the information needs of victims and witnesses. The working group also commenced a review of the current PPS Victims and Witnesses Policy to bring it up to date with current practice and legislative and policy changes. In examining the policy statement, the working group is also taking on board the various recommendations made by CJINI in their December 2011 report on the services provided to victims and witnesses across the CJSNI. The updated policy document will be published for consultation.

#### *Domestic Violence*

A Service Level Agreement has been signed between PPS and PSNI which sets out the roles and responsibilities each organisation has in relation to the investigation, prosecution and management of cases of domestic violence and abuse. PPS has also provided training to Women's Aid Court Support workers in Ballymena, Newry and Foyle.



### *Witness Care Unit*

Proposals to implement Witness Care Units (WCUs), similar to those in England and Wales, are being considered by PPS and police. The purpose of the WCU model is to manage the care of victims and witnesses from the date the defendant is charged (or reported to PPS) onwards, encompassing both the Crown and Magistrates' Courts. While planning is still at an early stage, it is anticipated that the service to victims and witnesses will include:

- A single point of contact for victims and witnesses, communicating by their preferred means where possible;
- A full needs assessment for all victims and witnesses in cases where defendants have pleaded not guilty, for example to identify specific support requirements;
- Dedicated witness care officers to guide and support individuals through the criminal justice process and to co-ordinate support and services;
- Continuous review of victim and witness needs throughout the case; and
- Greater communication and contact with witnesses about cases throughout the prosecution process.

Subject to approval for the project, it is anticipated that a WCU pilot scheme to test the new arrangements will be implemented by the end of 2012-13.

### *Witness Expenses*

PPS is responsible for the payment of expenses to prosecution witnesses arising from their attendance at court in respect of proceedings to which they have been summoned. The rates of witness expenses payable are equivalent to those paid by the Crown Prosecution Service in England and Wales. Total PPS witness expenses for 2011-12 were £345k (£245k 2010-11). Ninety-six percent of such claims were processed and authorised for payment within seven working days (99% 2010-11). The target for the year was 95%.

A planned review of court witness expenses was deferred until 2012-13. This was to allow the Finance Team to focus on the detailed preparatory work needed to join Account NI (see below).

### **Requests for Review**

Information concerning the process by which a review of a prosecutorial decision can be initiated is contained in the PPS Code for Prosecutors. During 2011-12 there were 104 requests for review of a prosecution decision, four of which resulted in the original decision being changed.

### **Revised Arrangements for the 'Giving of Reasons'**

PPS policy has been developed so that in a number of specific case categories, detailed reasons are given for a decision not to



prosecute to all victims and their families, irrespective of whether such a request has been made. The categories of cases include homicide, sexual offences, hate crime and those involving victims who are vulnerable on account of their age or mental or physical incapacity.

During the financial year the operation of these arrangements was reviewed by Criminal Justice Inspection. A review has also been conducted by the PPS Quality Assurance Team.

During 2012-13 PPS will commence a new pilot initiative whereby those victims, who do not at present receive detailed reasons, will be invited to contact the Service should they wish to obtain more information.

### **Disability Action Plan**

The Service's current Disability Action Plan (DAP) covers the three year period to 31 March 2014. The plan sets out a range of actions through which the Service will seek to implement its disability duties in areas such as communication, partnership working and staff training.

### **PPS Equality Scheme**

A new PPS Equality Scheme, which sets out how the Service proposes to fulfil its obligations under s.75 of the Northern Ireland Act 1998, was approved by the Equality Commission on 28 March 2012. The Service has also published a detailed equality action plan covering the period to the end of the 2013-14 financial year. The action plan was published for consultation via the PPS website.

The Annual Progress Report on section 75 of the NI Act 1998 and section 49A of the Disability Discrimination Order (DDO) 2006 was sent to the Equality Commission by the due date of 31 August 2011.

### **Community Outreach**

The PPS Community Outreach Strategy for 2012-14 was published for consultation in January 2012. The document includes a number of key milestones which the Service will seek to achieve over the next three years in order to deliver on the strategy.

Over the course of 2011-12 there was a series of outreach events and activities. These included:

- Policy launches at PPS Headquarters;
- A PPS presence at cultural events and festivals, including Pride 2011 in July and the Belfast Mela in August;
- Presentations to Victims' and Voluntary Sector Groups, such as Victim Support, Women's Aid, Rape Crisis and the NSPCC;

- Presentations to local District Policing Partnerships;
- Presentations to school groups and students;
- Provision of training to police and other CJOs;
- Articles in newspapers and journals;
- Television and radio interviews carried by the local media; and
- Keynote speeches by the Director at events held by the Committee on the Administration of Justice, Belfast Solicitors' Association and Criminal Justice Inspection Northern Ireland.

Between April 2011 and March 2012 a total of 407 outreach activities and events were recorded, involving a total staff contribution of nearly 1,700 hours.

## **Complaints**

### *Complaints Dealt with in 2011-12*

All complaints about the service delivered by the PPS (i.e. non-prosecutorial complaints) are monitored centrally and are used to identify areas for improvement in service delivery.

During the year, a total of 62 complaints were received by the PPS. The majority (58) have been dealt with to date, of which 14 were upheld and 11 partially upheld.

### *Independent Assessor of Complaints*

The role of the Independent Assessor of Complaints is to review a complaint where the complainant is not satisfied with the way in which the PPS has decided to deal with the matter.

The Independent Assessor, Mr Alasdair MacLaughlin, produced his seventh formal report on 31 March 2012, covering complaints received during the 2011 calendar year. The recommendations contained in the report are now being taken forward by the PPS.

The reports of the Independent Assessor are available via the PPS website.

### *Review of the PPS Complaint Handling Arrangements*

New arrangements have been implemented for the handling of complaints. This follows on from the findings of a review which reported to senior management in 2011. The new complaint procedures have been subject to a 12 week period of consultation.

Staff workshops have been conducted in each regional office to ensure that key personnel are aware of changes to the complaints handling arrangements and the importance of complaints monitoring more generally.

### **Public confidence: Northern Ireland Omnibus Survey**

In January 2012, the PPS commissioned questions for inclusion in the Northern Ireland Omnibus Survey, which is carried out by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA). A total of seven questions were included in the survey to gauge public awareness of the PPS and its role. Seventy per cent (70%) of those who had heard of the PPS were very or fairly confident regarding the fairness and impartiality of the Service. This compared with 67.5% in 2011.

The results of the survey are being considered by the Management Board and will help to inform the development of PPS policy.

## **Strategic Priority 3: Strengthening our capability to deliver**

### **Financial Management**

#### *Savings Delivery Plan*

The Northern Ireland Executive's 'Draft Budget 2011-15' was announced by the Minister for Finance and Personnel on 15 December 2010, setting out the proposed departmental current expenditure and capital allocations for the four year budget period. The announcement of the Draft Budget marked the commencement of a period of public consultation ending in mid-February. The public consultation on departmental spending plans and savings proposals were to run in tandem with the public consultation on the Executive's Draft Budget.

The PPS published its savings proposals in January 2011. The paper set out the impact of the Draft Budget on the spending plans of the Service over the period 2011-15. Public consultation was completed on 9 February 2011 and one response was received. However the full effect of the devolution of the PPS was not fully apparent at that point, and after taking further financial pressures into consideration, some of which were outside of the PPS's direct control, the Service identified the need to review and revise these plans. The revised spending plans have now been published.

The final Budget settlement reduces PPS current expenditure year on year, resulting in an 8.4% reduction by year four of the Budget 2010 period. Taking into account estimated inflationary increases of 2% per annum the PPS budget will experience a reduction in real terms of nearly 17% by the fourth year.

This represents a challenging settlement which has required the Service to review its expenditure and operational processes. The nature of the services provided means that remaining within budget is not solely within the control of the Service. The necessary costs arising from the delivery of prosecution services are demand led

and, to that extent, difficult to forecast. It had been assumed for planning purposes that caseloads would remain steady at 2009-10 levels and that there will not be an increase in the levels of crime which impact most significantly on costs such as serious organised crime and terrorist cases.

The bulk of the savings over the Budget period will be delivered through procurement savings, including savings derived from the general procurement of goods and services, the use of external counsel and the planned introduction of a new fee scheme for the remuneration of counsel. The remaining savings are forecast from a review of Senior Civil Service posts within the PPS and from revisions to the PPS estate.

The financial performance of the PPS during 2011-12 is outlined later in this report (see 'Financial Performance during 2011-12', page 37).

#### *Incentivisation*

The PPS is an approved recipient of incentivisation receipts under the Department of Justice's Asset Recovery Incentivisation Scheme and as such is eligible for 22.5% of funds recovered from confiscations secured on conviction under the Proceeds of Crime Act 2002. Incentivisation receipts totalled £304k in 2009-10, £635k in 2010-11 and £613k in 2011-12.

#### **Account NI**

The purpose of Account NI is to provide an integrated Resource Accounting and Budgeting System for all NICS Departments.

PPS will join Account NI from July 2012 and the preparatory work required has been extensive. However much of this preparation has now been carried out and the new arrangements will be implemented across the Service in early summer.

#### **Payment of Counsel Fees**

The PPS has carried out a major project to develop a new fees payment scheme for external counsel. The objective of the project was to establish a framework for the payment of all fees, including appropriate policies and procedures.

The original target date for implementation at the end of December 2011 was deferred to 2012-13. This was to allow PPS to assess the outcome of the consultation exercise carried out by the NI Courts and Tribunals Service with respect to proposed amendments to legal aid payments under the Legal Aid for Crown Court Proceedings (Costs) (Amendment) Rules (Northern Ireland) 2011, and a recognition that a broad equivalence between defence and prosecution fees was desirable.





The new scheme broadly aligns PPS fees with the NICTS rates and will bring with it the benefits of clearly evidenced value for money and greater predictability for this demand-led area of spend.

The framework needed to operate the scheme is largely in place. This includes comprehensive guidance which sets out the arrangements for the remuneration of external counsel and includes cases heard in the Magistrates' and Youth Courts, Appeals to the County Court, cases committed to the Crown Court, High Court bail applications, Court of Appeal cases, restraint and confiscation hearings, pre-committal preparation and opinions. The new scheme will be implemented in autumn 2012.

In the medium term it is intended that both defence and prosecution rates should align with those paid in England and Wales. Over the coming months there will be further discussions with NICTS and DoJ officials as to how this will be achieved.

### **Information and Communications Technology (ICT)**

During the financial year, there has been significant investment in ICT systems, particularly in the Case Management System (CMS), which supports the PPS's business processes, and the enhancement of key elements of the ICT infrastructure.

The main work areas taken forward during the year included:

- Implementation of CMS changes to support the new Fixed Penalty Fine and Offender Levy processes;
- Enhancements to CMS to improve document scanning facilities;
- Development of a pilot Electronic Case File solution designed to speed up court processes and to reduce the amount of paper taken to court;
- Enhancements to CMS to improve task management;
- Implementation of systems to manage International Letters of Request and Extradition;
- Development of design specifications for the Counsel Fees system;
- Rolling programme of PC and Server upgrades; and
- Procurement of a new CMS support and maintenance contract.

### **Sustainable Development**

The Service continued to deliver on the commitments in its Sustainable Development Action Plan. During 2011-12 further energy usage assessments were carried out in respect of all PPS buildings. This provided the information which is contained in the Display Energy Certificates (DECs) which are displayed in each building in line with the regulatory requirements.



As part of the 'green housekeeping' agenda the Service continues to promote and encourage recycling in all offices and this has seen an increase in the volume of waste products which are now recycled.

The Service has promoted travel planning amongst staff by circulating all offices with information on car sharing and also on 'park and ride' facilities available across Northern Ireland.

PPS Property Management adheres to Sustainable Development in Public Sector Procurement. A copy of the PPS Sustainable Development Annual Report is available via the Service's website.

## **Corporate Governance Arrangements**

### *Internal Audit*

Internal audit activity during the financial year has focused on the following issues:

- Attendance management;
- Procurement;
- The Service's non-current assets; and
- Follow-up review of information assurance arrangements.

Assurances regarding shared services, including HR Connect and the services provided by the Central Procurement Directorate, have also been obtained from DFP's Internal Audit.

The Management Board has considered all reports. Action plans have been developed to address the various recommendations made by the audit team.

### *Relationship with the Attorney General*

The Department of Justice is carrying out a consultation on behalf of the Northern Ireland Executive, on the future governance of the Public Prosecution Service, and in particular the nature of the relationship between the PPS and the Attorney General for Northern Ireland. The Director is committed to ensuring that future relationships with the Attorney General, Ministers and the Assembly are as constructive and helpful as possible and has responded in detail to the consultation.

### *Review of the PPS Senior Management Structure*

The Director has commissioned an independent review of the PPS senior management structure. The purpose of the review will be to ensure that management structures meet the needs of the Service as a non-ministerial department and that all senior civil service posts continue to represent value for money. The review will be completed by Autumn 2012.

### *PPS Management Board: Review of Effectiveness*

An effectiveness review of the Management Board was completed in January 2012. The issues discussed included the statistical, financial and other information provided to members and the future induction requirements for new independent Board members.

## **Security Policy Framework**

### *Information Assurance*

The Service is committed to improving its information assurance capability and ensuring that arrangements are driven by the Cabinet Office Security Policy Framework, the Data Protection Act and issues identified in PPS Information Risk Registers. Post-devolution new information assurance governance arrangements are now firmly bedded in. For example, the Senior Assistant Director for Finance and Resources sits on the Board as Senior Information Risk Owner and each Head of Business Area is also an Information Asset Owner. Quarterly assurance reports are made to the People and Resources Sub-Committee and the Audit & Risk Committee. An overarching Information Assurance and Risk Policy has been developed to link all the Service's information assurance policies and procedures.

Where appropriate PPS has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

### *Business Resilience*

The Government's Security Policy Framework emphasises the need for effective business continuity management (BCM). The PPS has established a programme to deliver BCM in a manner that enables the continued delivery of key services during an interruption and which will align the PPS with the British Standard (BS25999).

PPS now has an Incident Management Plan and Business Continuity Plan in place, as well as business area recovery plans and strategies to provide assistance from Corporate Services functions where necessary during an interruption. A programme to test this capability has also been developed. The resilience capability of the PPS has been significantly enhanced with the completion of important work in respect of the Causeway Data Sharing Mechanism. A series of exercises have now been established to test this resilience at key points.

A business case has been signed off to improve ICT resilience in relation to other key business services outside of the core Case Management System. This work will be taken forward in the coming year.

## Strategic Priority 4: Building the Capability of our People

### Staffing Levels and Recruitment

As at 31 March 2012, there were 572 staff employed within the Service, including 17 temporary staff. This compares with a total staff complement of 576 at the end of the 2010-11 financial year. The 'whole time equivalent' figure at 31 March 2012 was 549.6. The agreed complement of the Service is 590. The table below provides a breakdown of staff within the Service by grade.

The Service's 2011-12 recruitment programme involved the use of open recruitment, temporary recruitment, elective transfers and level transfer. A total of 30 persons have been recruited during the year.

### PPS Staff Complement by Grade\*

Substantive Grade	Position at:	
	31/3/11	31/3/12
Senior Assistant Director/ Assistant Director	8	7
Senior Public Prosecutor and equivalent grades (6/7)	63	62
Public Prosecutor and equivalent grades (Deputy Principal)	128	128
Staff Officer	26	28
EOI / EOII	102	102
Administrative Officer / Administrative Assistant	249	245
<b>Total</b>	<b>576</b>	<b>572</b>

\* Excludes Director and Deputy Director.

A total of 34 staff transferred from the Service. The main reasons included success in inter-departmental vacancy notices, promotion, level transfers and the cessation of temporary contracts.

## **Managing Attendance**

Since its implementation in 2006, the PPS Attendance Management Policy has enabled a more effective control of absence levels which are monitored on a monthly basis.

The outcome for the year (based on estimated NICS data) was an average of 9.7 days lost per member of staff. The PPS target for 2011-12 was not to exceed an average of 8.4 days.

## **Internal Communication**

### *Staff Roadshows*

A number of roadshows were held across the PPS regional offices during 2011-12. The roadshows, led by members of the PPS senior management team, covered a wide range of corporate issues including the NICS assimilation exercise, senior management changes, Budget 2010, Account NI and performance management.

### *Staff Brief*

A new Staff Brief was launched in June 2011. It is published every two months and used as the basis for team meetings throughout the PPS. Staff also have an opportunity to raise issues for inclusion in the Brief and to provide feedback.

## **Working within the NICS**

As a non-ministerial department, PPS is fully engaged with the NICS on HR matters and is represented on a range of committees and working groups. The Senior Assistant Director for Finance and Resources is a member of the HR Directors' Group and the Finance Directors' Group which comprise senior officials from across the NI Departments.

## **Training and Development**

### *Corporate Training Priorities*

The development of the Service's 2011-12 corporate training plan was built around training needs identified via the PPS business planning process.

During the year the Service's HR Section has worked with the Centre for Applied Learning (CAL) in the delivery of generic NICS training.

## **Investors in People**

The PPS recognises the Investors in People (IIP) standard as a benchmark for the quality of its people management and training and development.

During 2012-13 the Service will seek re-accreditation under the scheme. Much of the preparation needed has already commenced, including the production of a draft action plan which, when approved, will form the basis of the Service's IIP Strategy.

### **Staff Survey**

The PPS participate in the NICS Staff Attitude Survey. It provides all members of staff with an opportunity to put forward their views about the PPS, its work and their role within the organisation and the wider Civil Service. The findings of the latest survey, conducted in September 2011, have been made available to all staff.

The results of the latest survey were positive. For just under half of the questions respondents in PPS had higher levels of satisfaction / agreement than the NICS as a whole. Only one in ten of the questions showed a lower level of satisfaction / agreement in PPS, with the remainder similar to the NICS.

The findings are also informing the ongoing development of the PPS Organisational Development Action Plan.

### **Health and Safety**

PPS is committed to adhering to the Health and Safety at Work (NI) Order 1978 and all subordinate legislation to ensure that staff and service users enjoy the benefits of a safe environment.

Throughout the year a range of health and safety assessments were carried out, not only on an individual level, but in relation to buildings and various facets of the work within the Public Prosecution Service. A number of minor accidents were also investigated over the course of the year, leading to various changes in health and safety practice. Health and Safety training is now the responsibility of the Centre for Applied Learning, and this has allowed the branch to intensify their efforts in areas such as audit and inspection.

The Health and Safety Executive for Northern Ireland has stated they will carry out an inspection of all Public Prosecution Service premises during 2012. This will be an opportunity to measure the efficiency of health and safety standards.



# Financial Performance during 2011-12

## Background

The Public Prosecution Service became a non-ministerial department on the devolution of policing and justice powers to the Northern Ireland Assembly on 12 April 2010. Prior to this the PPS was a legal office of the Northern Ireland Office and did not have an Estimate, Budget or Statutory Accounts in its own right. Comparative figures within the 2011-12 accounts were prepared under Machinery of Government for the full year ended 31 March 2011.

## Statement of Parliamentary Supply

As a non-ministerial department the PPS is financed directly from the Northern Ireland Consolidated Fund through the supply process operated by the Department of Finance and Personnel.

Each year the PPS is given approval for its expenditure when the NI Assembly votes the Main Supply Estimates. As set out in the Statement of Assembly Supply, the Department was voted a Resource Estimate Provision of £38,923k for 2011-12.

The PPS sought additional funding of £2.6m under January Monitoring in respect of the likely settlement of a High Court action, arising from a writ issued in 2004 against the Northern Ireland Office and the Department of Finance and Personnel for breach of contract, and potential consequential claims arising from industrial tribunal hearings.

The PPS outturn of £35,976k shown in the Statement of Parliamentary Supply reflects the achievement of the Service's operational objectives and an effective financial management performance for the year. This is a saving of £2,947k against Estimate. £1,373k of this variance derived from savings in pay costs; the majority of which, £1m, is in relation to the funding sought in respect of the consequential claims above. These were not resolved during 2011-12 as anticipated and hence any potential liability will crystallise in 2012-13 and has only been disclosed as a contingent liability in the 2011-12 accounts. The remaining £1,574k related to savings across a range of non staff costs including counsel fees, accommodation running costs and general overheads. A substantial proportion of these savings have arisen from the early implementation of savings initiatives planned for the later years of the Budget 2010 period.

The reconciliation of resources to net cash requirement (note 4) highlights a saving of £4,571k. The main reasons for this are a saving in the PPS resource outturn of £2,947k along with a decrease in working capital required of £2,362k mainly as a result of the High Court action settlement not being paid until post March 2012.

### Statement of Comprehensive Net Expenditure

The Statement of Comprehensive Net Expenditure represents the total net administration and programme resources consumed. The net operating costs during 2011-12 were £35,976k (2010-11 £32,297k) as follows:

Staff Costs	£21,735k (2010-11 £18,333k)
Other Administration Costs	£321k (2010-11 £341k)
Other Programme Costs	£14,736k (2010-11 £14,450k)
Income	£816k (2010-11 £827k)

Where relevant the PPS complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance and adheres to the guidelines on fees and charges contained within Managing Public Money NI.



## Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2011-12 £k	2010-11 £k
<b>Net Resource Outturn (Estimates)</b>	<b>38,923</b>	<b>33,354</b>
Adjustments:		
Non Voted Expenditure in the resource account		
IFRS Adjustments		
Include Consolidated Fund Extra Receipts in the Operating Cost Statement		
Other Adjustments	(2,947)	(1,057)
<b>Net Operating Costs (Accounts)</b>	<b>35,966</b>	<b>32,297</b>
Adjustments:		
Voted Expenditure outside budget	(41)	(35)
Remove Consolidated Fund Extra Receipts in the Operating Cost Statement		
IFRS Adjustments		
Other Adjustments		
<b>Resource Budget Outturn (Budget)</b>	<b>35,935</b>	<b>32,262</b>
of which:		
Departmental Expenditure Limits (DEL)	35,746	32,058
Annually Managed Expenditure (AME)	189	204

### Statement of Financial Position

The Department was in a net equity position of £(0.2)m at 31 March 2012 (£2.9m 2010-11) comprising property, plant and equipment, intangibles, trade receivables and cash of £14.9m (£13.6m 2010-11). The Department had net liabilities and provisions of £14.7m (£10.7m 2010-11).

During the year investments were made in fixed assets of £286k as set out in notes 13 and 14.

### Contingent Liabilities requiring Disclosure

Note 23 details contingent liabilities disclosed.

The Department has no further contingent liabilities required to be disclosed under Assembly Reporting Requirements.

### Future Developments

The main factor influencing the future financial performance of the PPS will be the need to operate within the Budget 2010 settlement which reduces the PPS resource budget by 8.4% by 2014-15, the fourth year of the settlement period. The PPS has prepared a Savings Delivery Plan to enable it to achieve this aim and this is available from our website [www.ppsni.gov.uk](http://www.ppsni.gov.uk).

# Remuneration Report

## **Scope of Responsibility**

The salaries of the Director and Deputy Director are set in line with the Judicial Appointments Scale as determined by the Department of Finance and Personnel.

The Non Executive Directors are remunerated on the basis of a per diem rate of £500 (2010-11 £7,200 per annum). In addition they are entitled to travel and subsistence expenses at NICS rates incurred while on departmental business. Their remuneration was set in line with OFMDFM guidance.

The Director, Deputy Director and Non Executive Director remuneration is paid through the Public Prosecution Service payroll and Employers' National Insurance and PAYE accounted for.

## **Remuneration Policy**

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

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

## **Service Contracts**

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment 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.

There has been substantial change in the PPS senior management team within the 2011-12 period, as set out below:

<i>Mr Barra McGrory QC:</i>	Director of Public Prosecutions - Appointed 7 November 2011
<i>Mr James Scholes:</i>	Acting Director reverted to substantive post of Deputy Director on 5 November 2011 retired 29 March 2012
<i>Mr Raymond Kitson:</i>	Acting Deputy Director - retired 28 October 2011
<i>Ms Pamela Atchison:</i>	Senior Assistant Director Ms Atchison has been appointed as Deputy Director by the Attorney General post year end on 2 April 2012

The following posts at Senior Assistant Director (SAD) level have been filled by temporary appointments made by the Director and Acting Director. These appointments have been made for a set period to cease, unless further extended, as follows:

<i>Mr Ian Hearst:</i>	Acting Senior Assistant Director Finance and Resources 31 July 2012
<i>Mr Stephen Burnside:</i>	Acting Senior Assistant Director for Regional Prosecutions 31 July 2012

On cessation of the temporary appointments the individuals would automatically revert to their substantive grades.

A review of all senior civil service posts is currently being undertaken by the Information Strategy and Innovation Division within the Department of Finance and Personnel in respect of the devolved Service. The findings of this review will be reported to the Management Board for consideration in Autumn 2012.

### **Salary and Pension Entitlements**

The following sections provide details of the remuneration and pension interests of the senior management of the department.

Only those in post at 31 March 2012 need to be included in the 2010-11 comparative figures.



## Remuneration (audited information)

	2011-12			2010-11		
	Salary (£'000)	Bonuses (£'000)	Benefits in Kind (£100)	Salary (£'000)	Bonuses (£'000)	Benefits in Kind (£100)
<b>Statutory Appointments</b>						
Barra McGrory QC <i>Director of Public Prosecutions appointed 07/11/2011</i>	65-70 (170-175 full year equivalent)	-	-	-	-	-
James Scholes <i>Acting Director of Public Prosecutions up to 05/11/11</i>	100-105 (170-175 full year equivalent)	-	-	165-170 (170-175 full year equivalent)	-	-
James Scholes <i>Deputy Director of Public Prosecutions from 05/11/11 - retired 29/03/12</i>	65-70 (135-140 full year equivalent)	-	-	-	-	-
<b>Officials</b>						
Raymond Kitson <i>Acting Deputy Director of Public Prosecutions - retired 28/10/11</i>	95-100 (135-140 full year equivalent)	-	-	65-70	-	-
Raymond Kitson <i>Senior Assistant Director of Regional Prosecutions</i>	-	-	-	45-50	-	-
Pamela Atchison <i>Senior Assistant Director of Central Prosecutions</i>	85-90	-	-	80-85	-	-
Ian Hearst <i>Temporary Senior Assistant Director of Finance and Resources</i>	80-85	-	-	80-85 (80-85 full year equivalent)	-	-
Stephen Burnside <i>Temporary Senior Assistant Director of Regional Prosecutions</i>	80-85	-	-	70-75 (80-85 full year)	-	-

**Remuneration (audited information)** continued

	2011-12			2010-11		
	Salary (£'000)	Bonuses (£'000)	Benefits in Kind (£'000)	Salary (£'000)	Bonuses (£'000)	Benefits in Kind (£'000)
<b>Non Executive Directors</b>						
Alice Quinn <i>Retired 30/06/2011</i>	0-5	-	-	5-10	-	-
Barry Hancock <i>Retired 30/06/2011</i>	0-5	-	-	5-10	-	-
Christopher Welford <i>Appointed 01/07/2011</i>	5-10	-	-	-	-	-
David Hughes Hallett <i>Appointed 01/07/2011</i>	5-10	-	-	-	-	-
<b>Band of Highest Paid Director's Total Remuneration</b>	170-175			170-175		
<b>Median Total Remuneration</b>	23,536			22,373		
<b>Ratio</b>	7.3			7.7		

**Salary**

Salary includes gross salary, overtime, reserved rights to London weightings or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

**Benefits in Kind**

The monetary value of benefits in kind covers any benefits by the employer and treated by the Inland Revenue as a taxable emolument. The PPS does not provide any benefits in kind to staff.

**Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2011-12 relate to performance in 2011-12 and the comparative bonuses reported for 2010-11 relate to the performance in 2010-11. There were no bonuses paid during either 2011-12 or 2010-11.

**Pay Multiples**

In line with all government bodies, the Public Prosecution Service is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded annualised remuneration of the highest-paid director in PPS in the financial year 2011-12 was £170-175k (2010-11, £170-175k). This was 7.3 times (2010-11 7.7) the median remuneration of the workforce, which was £23,536 (2010-11 £22,737). The size and composition of the workforce has remained materially consistent between year ends. During 2011-12 the remuneration of the highest paid Director remained fixed while all Non Senior Civil Service staff were in receipt of a scale point salary increase. This accounted for the variation in the ratio of pay multiples between comparative years.

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

## **Pension Benefits**

### **Broadly By Analogy Pension Scheme**

The former Directors and Deputy Directors were members of the Broadly By Analogy (BBA) Pension Scheme of public appointments within the Northern Ireland Office Departmental Boundary. On devolution their benefits were retained with this scheme.

The BBA pension arrangements entitle the recipient to benefits similar to the Classic Scheme in the Principal Civil Service Pension Scheme (Northern Ireland). The scheme has now been closed to new entrants however the scheme still exists in respect of three former PPS Directors or Deputy Directors all of whom are now drawing their pensions. The details of movements within the scheme, in respect of PPS, are covered under Note 21.1.

### **Cash Equivalent Transfer Values**

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

The actuarial factors that are used in the CETV calculation were changed during 2011, due to changes in demographic assumptions. This means that the CETV in this year's report for 31 March 2011 will not be the same as the corresponding figure shown in last year's report.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. This is nil for the BBA due to the fact that there are no members in service and hence in receipt of employer contributions.

### Pension Entitlements (audited information)

	Accrued pension at age 60 as at 31/3/12 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/12	CETV at 31/3/11***	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>Statutory Appointments</b>					
Barra McGrory <i>Director of Public Prosecutions</i>	0-5	0-2.5	14	-	12
James Scholes <i>Deputy Director of Public Prosecutions - retired 29/03/12</i>	310-320	(0-5)	1,789	1,733	(6)
<b>Officials</b>					
Raymond Kitson <i>Acting Deputy Director of Public Prosecutions - retired 28/10/11</i>	225-235	35-40	1,308	1,067	209
Pamela Atchison <i>Senior Assistant Director of Central Prosecutions</i>	120-130	(0-5)	718	674	(13)
Ian Hearst <i>Temporary Senior Assistant Director of Finance and Resources</i>	5-10	0-2.5	63	45	12
Stephen Burnside <i>Temporary Senior Assistant Director of Regional Prosecutions</i>	85-95	5-10	386	327	31

\*\*\* The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31/03/11 and 31/03/12 have both been calculated using the new factors, for consistency. The CETV at 31/03/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

The newly appointed Director of Public Prosecutions and the temporary Senior Assistant Director of Finance and Resources are members of the nuvos pension scheme. All other senior managers of the PPS are members of the classic scheme.

## Northern Ireland Civil Service (NICS) Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by CSP. Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2012, public service pensions will be increased by 5.2% with effect from 9 April.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**. Further details about





the CSP arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni).

### **Cash Equivalent Transfer Values**

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

The actuarial factors that are used in the CETV calculation were changed during 2011, due to changes in demographic assumptions. This means that the CETV in this year's report for 31/03/11 will not be the same as the corresponding figure shown in last year's report.

### **Real increase in CETV**


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

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

The PPS did not have any payments made under compensation for loss of office in 2011-12 (2010-11 Nil).



**Barra McGrory QC**  
Accounting Officer  
21 June 2012



# Part 2: Resource Accounts

# Statement of Accounting Officer's Responsibilities

## For the Year Ended 31 March 2012

Under the Government Resources and Accounts (Northern Ireland) Act 2001 the Department of Finance and Personnel has directed the Public Prosecution Service for Northern Ireland (PPS) to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Service during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PPS, and of the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Department of Finance and Personnel, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Department of Finance and Personnel has appointed the Director of Public Prosecutions as Accounting Officer of the PPS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding PPS assets, are set out in Managing Public Money Northern Ireland issued by the Department of Finance and Personnel.

# Statement on Internal Control

**For the Year Ended 31 March 2012**

## **1. Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Public Prosecution Service's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

Following devolution in April 2010, the PPS was designated as a non-ministerial government department. Prior to this the PPS had been a Legal Office of the Northern Ireland Office and the Permanent Under Secretary of the NIO was the Accounting Officer for the Service. Therefore to some extent 2011-12 has represented a bedding-in period for the new arrangements and the Service has dealt with a number of challenges, including the assimilation of PPS staff to Northern Ireland Civil Service terms and conditions and production of the Service's first Annual Report and Resource Accounts which was published in July 2011.

During the year there has also been considerable change within the Service's senior management structure, particularly in the composition of the Management Board. Following the retirement of Sir Alasdair Fraser in September 2010, James Scholes, the Deputy Director of Public Prosecutions, was appointed as Acting Director and Accounting Officer; I was subsequently appointed as Director and Accounting Officer for the Service on 7 November 2011. Furthermore four of the seven members of the Management Board stepped down during the year. The two independent non-executive Board members, Alice Quinn and Barry Hancock, who were appointed in 2005, retired at the end of June 2011. The new

non-executives, Christopher Welford and David Hughes Hallett, took up their positions on 1 July 2011. Raymond Kitson, who had been the Acting Deputy Director prior to my appointment, retired from the organisation in October 2011. Finally James Scholes retired at the end of March 2012. James Scholes and Raymond Kitson had provided more than thirty years of service to the PPS and the former Department of the Director of Public Prosecutions. Pamela Atchison has been appointed as the new Deputy Director.

A number of senior management positions are currently filled on a temporary basis, including two posts at Senior Assistant Director level (SCS Grade 3). These temporary appointments were made subject to the completion of an independent review of the senior management structure. This review has now been commissioned and it is anticipated that the recommendations will be available by mid August, at which point the process of filling these posts on a permanent basis can commence.

In the light of these significant changes I have put in place clear governance arrangements to make sure that I am able to lead and direct the Service and manage risk effectively. I am supported by the PPS Management Board, which I chair. At present the Board is comprised of the Deputy Director, two Senior Assistant Directors and two independent non-executive members.

In helping me to discharge my statutory responsibilities I am also supported by the Service's Audit and Risk Committee. All three members of the Committee are non-executives, two of whom are also members of the Management Board. The Audit and Risk Committee operates under agreed terms of reference which are reviewed annually. Meetings are attended by representatives of the Northern Ireland Audit Office and by the Head of Internal Audit.

The Senior Assistant Director for Finance and Resources is a member of the Management Board and acts as the Principal Establishment and Finance Officer for the Service. In this role the SAD is responsible for ensuring that proper controls are in place to safeguard public funds and departmental assets.



All members of the senior management team have a role to play in the Service's governance arrangements. I have drawn on detailed statements of assurance which are provided on a quarterly basis by the Senior Assistant Directors who have responsibility for the development and maintenance of the internal control framework in their respective areas.

The Justice (Northern Ireland) Act 2002 provides for the Director and the Attorney General for Northern Ireland to consult with each other on any matter for which the Attorney General is accountable to the Northern Ireland Assembly. As Director, I continue to consult regularly with the Attorney General on issues arising from casework and prosecutorial policy. It should be noted that the Department of Justice is conducting a public consultation on behalf of the NI Executive, focusing on the future governance and accountability of the PPS. I have provided a detailed response to this consultation.

## **2. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of PPS policies, aims and objectives; to evaluate the likelihood of those risks being realised; the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the PPS for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Resource Accounts, and accords with DFP guidance.

## **3. Capacity to Handle Risk**

The PPS risk management policy sets out the framework for the management of risk and promotes a consistent approach across the Service. The document also provides an outline of the roles and responsibilities of those involved in the risk management process.

The Director, supported by the PPS Management Board, has overall responsibility for ensuring that an effective risk management process is established and maintained and is responsible for agreeing the Service's Risk Management Framework. The Senior Management Group, comprising the Deputy Director of Public Prosecutions and Senior Assistant Directors, undertakes regular and detailed oversight of the key corporate risks and the Service's risk management capability. All risks set out at corporate level are owned by members of the Management Board.

Regional Prosecutors and Assistant Directors (SCS Grade 5) and Corporate Services Business Heads are responsible for maintaining effective risk management arrangements within their own areas. Region and Section risk registers are reviewed regularly as these underpin the corporate risk register.

Managers and staff at all levels have a responsibility to identify, evaluate, manage or report risks. Risk management is included as part of the PPS induction programme for new staff. Formal risk awareness training has been provided to all senior managers, Heads of Corporate Services sections and operational Business Managers.

A risk management workshop was held in January 2012 which was attended by members of the Management Board and Audit and Risk Committee. The purpose of the workshop was to challenge thinking on risk management and to identify new and emerging risks. These discussions have informed the development of the 2012-13 corporate risk register.

In September 2011, the Service adopted a new corporate risk register template. The new format allows for greater detail in terms of changes made in management's risk assessment (i.e. residual versus inherent risk), with reasons provided for all such changes.

A range of supporting material, including the risk management policy, is available to all staff via the PPS Intranet site.

#### 4. The Risk and Control Framework

All risk management is aligned to the Service's aim, strategic priorities and objectives. Formal risk management procedures are applied to strategic corporate risks, key operational/business risks and business change programmes and projects.

The main elements of the Service's risk and control framework are outlined below:

- The Management Board agrees the corporate risk register and reviews the position at each Board meeting.
- The Senior Management Group identifies corporate risks and updates the corporate risk register on a monthly basis.
- There is a PPS Risk Management Policy in place which includes a statement of the Service's risk appetite.
- Risk registers are maintained for all regions and sections. The quarterly statements of assurance include an assessment of local risk management practice against the PPS risk management policy.
- All performance agreements for management grades must include an objective to manage risk in accordance with the PPS risk management framework and to develop and maintain effective internal controls.
- The Audit and Risk Committee reviews the corporate risks and receives regular reports concerning matters of internal control. On an annual basis the Committee examines a report from senior management outlining key reputational risks for the organisation.
- The Management Board and Senior Management Group regularly receive a detailed financial briefing and review in-year expenditure against forecasts to ensure effective control of PPS financial resources.
- There is regular Management Board scrutiny of performance against key corporate targets.
- There is an annual programme of audits conducted by Internal Audit.

- The Management Board has approved a corporate governance framework document. This provides detailed information on the system of direction and control within the PPS and confirms the scope of the Service's corporate governance arrangements. This guidance, which has been published on the PPS website, is intended to be a 'living document' which will evolve as the Service's corporate governance arrangements develop. It will therefore be kept under continuing review and will be formally reviewed at least once a year by the Management Board.
- PPS business resilience has been enhanced through agreement of an Incident Management Plan and a Business Continuity Plan.
- The Service has implemented its Fraud Prevention Policy. The Service also maintains a gifts and hospitality register and a register of interests.
- The Management Board has agreed an Anti Bribery and Corruption Policy in response to the provisions of the Bribery Act 2010. Relevant guidance has been provided to all members of staff.

## **5. Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the PPS, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Management Board and the Audit and Risk Committee. I have developed a plan to address weaknesses and ensure continuous improvement of the system in conjunction with the members of these Boards.

My review of the effectiveness of the system of internal control is informed by the following:

- The Internal Audit function which operates to the Government Internal Audit Standards and reports on the framework of internal control to the Audit and Risk Committee. Details of the audits completed during the financial year are set out below (see section 7).

- The Head of Internal Audit who provides an independent opinion on the adequacy and effectiveness of the Service's system of internal control and on any significant control issues.
- The work of the PPS Audit and Risk Committee. The Committee's terms of reference cover the review of PPS resource accounts, internal and external audit activity (including the review of action plans to address weaknesses identified in internal audit reports and external audit management letters), risk management, corporate governance and financial and other internal controls. The Audit and Risk Committee agreed the internal audit programme for 2011-12, taking account of key corporate risks.
- In accordance with HM Treasury best practice, PPS management has carried out a review of the Service's Strategic Processes for Risk, Control and Governance which centred around questions on strategic processes in these areas. The outcome of the review was considered by the Audit and Risk Committee at its September meeting. In order to address members' concerns, refresher training in risk management was arranged for the Management Board. As outlined above, Board members also attended a facilitated workshop to re-examine the key risk issues for the Service.
- The annual report on the work of the Audit and Risk Committee. This has been reviewed by the Management Board.
- The quarterly statements of assurance provided by all senior managers. The purpose of the statements is not only to highlight any significant internal control problems, but also to provide assurances regarding compliance with PPS policies and guidance. Issues covered include risk management, business planning, information assurance, HR policies, financial management, internal processes and governance.
- The regular financial and performance reports provided to senior management.
- All procurement over £30,000 is conducted on behalf of the PPS by the Department of Finance and Personnel's centre of procurement excellence, the Central Procurement Directorate, under a service level agreement. Post devolution the PPS has developed and introduced new procedures to ensure continuous improvement in the



areas of purchasing and procurement and has appointed a Procurement Officer (9 August 2010).

- Criminal Justice Inspection Northern Ireland which provides an independent review of efficiency and effectiveness. During 2011-12 the Chief Inspector has undertaken a programme of thematic reviews to promote good practice and has published a number of inspection reports. Issues covered have included the care and treatment of victims and witnesses and the use of legal services. These reports are available via the CJINI website ([www.cjini.org](http://www.cjini.org)).
- The PPS Quality Assurance Team which aims to provide an independent assessment of the quality of decision-making, case preparation and presentation within the Service.
- Assurances provided by the Department of Finance and Personnel covering the shared services provided to PPS. At present this includes HR Connect which provides transactional HR work and a payroll service for the PPS, the Centre for Applied Learning and the Central Procurement Directorate.

## **6. Information Security**

Since the establishment of the Service as a non-ministerial department in April 2010, steps have been taken to reinforce PPS information assurance arrangements, to improve information security awareness and disseminate best practice. The Senior Assistant Director for Finance and Resources has been appointed as Senior Information Risk Owner. All senior managers have been designated as Information Asset Owners to provide further assurance that information assets are properly managed.

Work has been completed to identify all information assets and any associated risks which will further inform the development of the Service's information assurance policies and procedures.

Information assurance is a standing item on the agendas of the Management Board and Audit and Risk Committee and senior managers are required to review information security compliance and to highlight any new assets or risks within their business areas in their quarterly statements of assurance.

The PPS Business Assurance Team co-ordinates the development of the information assurance framework and data handling and security arrangements across the Service. The team also has responsibility for all aspects of security within the PPS including IT Security and the accreditation of ICT systems in line with government requirements.

All staff are required to pass the National School for Government's 'e-Learning' course on data handling, with specific modules required for those with line management responsibilities. All members of staff have also been issued with PPS information assurance 'Golden Rules' and a Guide to Protective Markings.

An overarching Information Assurance and Risk Policy has also been developed to link all PPS information assurance policies and procedures. The PPS Security Guidance has been revised and issued to all staff with particular focus on handling of personal data and protectively marked assets.

#### *Personal Data Related Incidents*

During the year there were no reported personal data losses involving PPS staff.

As a result of human error, information which should have been redacted was disclosed to the defendant in a case.

Two incidents were reported to the PPS involving documentation being issued to an incorrect address. Following an investigation a number of issues were identified and the Service is working with partner organisations to improve existing processes and procedures.

A further incident arose as a result of an error in the registration of the party details of an accused on the PPS Case Management System. An action plan was developed by the Information Asset Owner to mitigate the risk of recurrence which included business process changes, additional staff training and quality assurance dip sampling.

A decision was taken not to report these incidents to the Information Commissioner as they did not involve a significant number of records nor did the victim(s) experience any harm as a result.

## 7. Significant Internal Control Problems

### *Internal Audit*

During the financial year three new audit assignments were completed, focusing on attendance management, procurement and the Service's non-current assets.

While no contracts were found to have been let improperly the internal audit report in respect of procurement made a series of recommendations in relation to procedures and record keeping that the Service has accepted. A number of these have already been acted upon and the remainder will be implemented before September 2012. This has been an area of great development for the PPS since becoming a non ministerial department and Internal Audit recognised that some issues pre dated devolution.

Internal Audit also carried out a follow-up audit in respect of the review of PPS Information Assurance conducted in 2010. Whilst Internal Audit recognised that the majority of their recommendations had now been implemented, due to the time delay since the assignment, the Head of Internal Audit was not in a position to change the 'limited' rating from the original report. This area will be re-examined as part of Internal Audit's programme for the year ahead.

With the agreement of the Audit and Risk Committee, a further follow up review, on PPS Business Continuity Management, has been carried forward into the 2012-13 Audit Work Programme.

During the financial year, the Audit and Risk Committee received regular updates from the Head of Internal Audit. The Committee also examined progress against previous audit reports and were satisfied that recommendations were being adequately addressed.

### *External Audit*

PPS senior management has reviewed the Northern Ireland Audit Office's Report to those Charged with Governance which sets out the results of their audit work on the PPS Resource Accounts for 2011-12 and their recommendations for action.

A number of concerns were raised by the NIAO in respect of external counsel, including: the operation of the PPS Counsel Panel; the use of single tender actions to appoint outside

the Panel; the hourly rates paid to counsel; adherence to agreed procedures for DFP approval of larger fee payments and counsel fee accruals.

PPS management has responded to these concerns and will take forward various initiatives during 2012-13 which will include the following:

- The development of a new fees scheme: The scheme, which will be implemented in autumn 2012, will aim to deliver increased transparency and predictability in the payment of fees. It will be administered through a Central Fees Team who will ensure the consistent application of the scheme, including the maintenance of all necessary records. It should be noted that the requirement for DFP approval of larger fee payments will cease with the introduction of the new scheme.
- Reconstitution of the Counsel Panel: Arrangements are being put into place to refresh the Panel. These new arrangements will address the need to have formal quality review systems in respect of external counsel and will also cater for the identification of specialisms within subsequent Panels. In order to allow for a period of consultation with the Bar, the existing Panel has been extended until November 2012. In the interim PPS management has taken steps to reinforce procedures aimed at ensuring the fair distribution of work within the Panel, taking into account the availability of individual counsel and the need on occasion to use Senior ‘Nominated Counsel’ in the most complex cases.
- Counsel fee accruals: It is recognised that timely submission of fee notes is essential so that accruals are as accurate as possible. Under the terms of engagement for the new Panel, provision will be made for the timely submission of all fee notes which will assist in the monitoring of accruals by the Central Fees Team.

Beyond the matters outlined above, no other significant internal control problems were highlighted by the NIAO.



**Barra McGrory QC**  
Accounting Officer

21 June 2012

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

I certify that I have audited the financial statements of the Public Prosecution Service for the year ended 31 March 2012 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. I have also audited the Statement of Assembly Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material

misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against Assembly control totals and that those totals have not been exceeded.

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

### **Opinion on Regularity**

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2012 and shows that those totals have not been exceeded; and
- the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2012 and of its net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.



## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Director's Report and the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

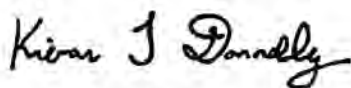
## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.



**KJ Donnelly**  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast BT7 1EU

25 June 2012

# Financial Statements

For the Year Ended 31 March 2012



## Statement of Assembly Supply

### Summary of Resource Outturn 2011-12

				Estimate			Outturn	2011-12 £000	2010-11 £000 Outturn
	Note	Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total Outturn compared with Estimate: saving/ (excess)	Net Total
Request for Resources A	2	39,909	(986)	38,923	36,792	(816)	35,976	2,947	32,297
<b>Total Resources</b>	<b>3</b>	<b>39,909</b>	<b>(986)</b>	<b>38,923</b>	<b>36,792</b>	<b>(816)</b>	<b>35,976</b>	<b>2,947</b>	<b>32,297</b>
<b>Non-operating cost Accruing Resources</b>		-	-	-	-	-	-	-	-

### Net cash requirement 2011-12

				2011-12 £000	2010-11 £000
	Note	Estimate	Outturn	Net Total Outturn compared with Estimate: saving/(excess)	Outturn
Net cash requirement	4	37,434	32,863	4,571	33,050

### Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	Income	2011-12 Forecast £000 <i>Receipts</i>	Income	2010-11 Outturn £000 <i>Receipts</i>
Total	5	-	-	23	23

Explanations of variances between Estimate and Outturn are given in Note 2 and in the Management Commentary.

The notes on pages 71 to 104 form part of these accounts.

## Statement of Comprehensive Net Expenditure

### For the Year Ended 31 March 2012

	Note	Staff Costs	Other Costs	2011-12 £000 Income	2010-11 £000
<b>Administration costs</b>					
Staff costs	8	1,807			1,454
Other administration costs	9		321		341
Operating income	11			-	-
<b>Programme costs</b>					
Staff costs	8	19,928			16,879
Programme costs	10		14,736		14,450
Income	11			(816)	(827)
<b>Totals</b>		<b>21,735</b>	<b>15,057</b>	<b>(816)</b>	<b>32,297</b>
<b>Net Operating Cost for the year ended 31 March 2012</b>				<b>35,976</b>	<b>32,297</b>

## Other Comprehensive Expenditure

	2011-12 £000	2010-11 £000
Net (gain) / loss on revaluation of Property, Plant & Equipment	(185)	(281)
Net (gain) / loss on revaluation of intangibles	2	9
<b>Other Comprehensive Expenditure</b>	<b>(183)</b>	<b>(272)</b>
<b>Total Comprehensive Expenditure for the year ended 31 March 2012</b>	<b>35,793</b>	<b>32,025</b>

All income and expenditure is derived from continuing operations.

The notes on pages 71 to 104 form part of these accounts.

## Statement of Financial Position

As at 31 March 2012

	Note	2011-12 £000	2010-11 £000
<b>Non-current assets</b>			
Property, plant and equipment	13	10,510	11,312
Intangible assets	14	534	681
<b>Total non-current assets</b>		<b>11,044</b>	<b>11,993</b>
<b>Current assets</b>			
Trade and other receivables	17	3,274	1,483
Cash and cash equivalents	18	566	96
<b>Total current assets</b>		<b>3,840</b>	<b>1,579</b>
<b>Total assets</b>		<b>14,884</b>	<b>13,572</b>
<b>Current Liabilities</b>			
Trade and other payables	20	(11,063)	(6,873)
<b>Total current liabilities</b>		<b>(11,063)</b>	<b>(6,873)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>3,821</b>	<b>6,699</b>
<b>Non-current liabilities</b>			
Provisions	21	(3,591)	(3,455)
Other payables	20	-	(341)
<b>Total non-current liabilities</b>		<b>(3,591)</b>	<b>(3,796)</b>
<b>Assets less liabilities</b>		<b>230</b>	<b>2,903</b>
<b>Taxpayers' equity</b>			
General fund		(1,084)	1,760
Revaluation reserve		1,314	1,143
<b>Total taxpayers' equity</b>		<b>230</b>	<b>2,903</b>



**Barra McGrory QC**  
Accounting Officer

21 June 2012

The notes on pages 71 to 104 form part of these accounts.

## Statement of Cash Flows

### For the year ended 31 March 2012

	Note	2011-12 £000	2010-11 £000
<b>Cash flows from operating activities</b>			
Net operating cost	12	(35,976)	(32,297)
Adjustment for non-cash transactions	10	1,647	1,367
(Increase) in trade and other receivables	17	(1,791)	(615)
Increase in trade payables	20	3,849	19
<i>less movements in payables relating to items not passing through the SCNE</i>	20	(2,697)	(113)
Use of provisions	21	(176)	(686)
<b>Net cash outflow from operating activities</b>		<b>(35,144)</b>	<b>(32,325)</b>
<b>Cash flows from investing activities</b>			
Non operating excess accruing resources from sale of property, plant and equipment	7	-	17
Purchase of property, plant and equipment	13	(198)	(737)
Purchase of intangible assets	14	(5)	(248)
<b>Net cash outflow from investing activities</b>		<b>(203)</b>	<b>(968)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		36,173	33,389
From the Consolidated Fund (Supply) - prior year		(339)	-
From the Consolidated Fund (non-supply)		-	-
<b>Net financing</b>		<b>35,834</b>	<b>33,389</b>
<b>Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>487</b>	<b>96</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		-	6
Payments of amounts due to the Consolidated Fund		(17)	(6)
<b>Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>470</b>	<b>96</b>
<b>Cash and cash equivalents at the beginning of the period</b>	18	<b>96</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	18	<b>566</b>	<b>96</b>

The notes on pages 71 to 104 form part of these accounts.



## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2012

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 31 March 2010</b>		<b>188</b>	<b>871</b>	<b>1,059</b>
<b>Changes in taxpayers' equity for 2010-11</b>				
Net Assembly Funding - drawn down		33,389	-	33,389
Supply (payable) / receivable adjustment		(339)	-	(339)
CFERs payable to the Consolidated Fund		-	-	-
Comprehensive expenditure for the year	12	(32,297)	-	(32,297)
Net gain / (loss) on revaluation of property, plant & equipment		-	281	281
Net gain / (loss) on revaluation of intangibles		-	(9)	(9)
<b>Non-Cash Adjustments:</b>				
Non-cash charges - auditor's remuneration	10	35	-	35
Non-cash charges - other notional	10	-	-	-
Actuarial gain/(loss) on pension liability		784	-	784
<b>Balance at 31 March 2011</b>		<b>1,760</b>	<b>1,143</b>	<b>2,903</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net Assembly Funding - drawn down		36,173	-	36,173
Supply (payable) / receivable adjustment		(2,971)	-	(2,971)
CFERs payable to the Consolidated Fund		-	-	-
Comprehensive expenditure for the year	12	(35,976)	-	(35,976)
Net gain / (loss) on revaluation of property, plant & equipment		-	185	185
Net gain / (loss) on revaluation of intangibles		-	(2)	(2)
<b>Non-Cash Adjustments:</b>				
Non-cash charges - auditor's remuneration	10	41	-	41
<b>Movements in Reserves:</b>				
Transfers between reserves		12	(12)	-
Actuarial gain / (loss) on pension liability		(123)	-	(123)
<b>Balance at 31 March 2012</b>		<b>(1,084)</b>	<b>1,314</b>	<b>230</b>

The notes on pages 71 to 104 form part of these accounts.

# Notes to the Financial Statements

## Notes to the Departmental Resource Accounts

### 1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2011-12 *Government Financial Reporting Manual* (FReM) issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Public Prosecution Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Public Prosecution Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare one additional primary statement. The *Statement of Assembly Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 1.1 Accounting convention

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

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

## **1.2 Property, plant and equipment**

Property, plant and equipment comprise building fit out costs, plant and machinery, computer equipment and assets under construction.

### *Consolidation of asset categories*

The property, plant and equipment note requires the amalgamation of asset categories under the Plant and Machinery heading. The asset categories represented by this heading include:

- Furniture and fittings
- Office equipment
- Security equipment.

## **1.3 Valuation of property, plant and equipment**

Property, plant and equipment are stated at the lower of replacement cost and recoverable amount. All property, plant and equipment are restated to current value each year by reference to indices compiled by the Office for National Statistics (ONS).

Costs classified as buildings within the Public Prosecution Service relate to fit out costs of leased premises. These are depreciated over the term of the lease and there is no requirement for quinquennial revaluation in respect of these costs.

Assets under construction are shown at cost, and relate to assets which are incomplete but for which the Department has incurred a liability.

Expenditure on property, plant and equipment of over £1,000 is capitalised. Within the Department the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Statement of Comprehensive Net Expenditure.

#### 1.4 Depreciation

All property, plant and equipment and intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Buildings: Fit out costs	Lease term - generally 15 - 25 years
Plant and Machinery	10 - 15 years
Information Technology	5 - 6 years
Assets under construction	No depreciation
Intangible assets	3 - 5 years

#### 1.5 Realised Element of Depreciation from Revaluation Reserve

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

## **1.6 Intangible assets**

Intangible assets comprise development expenditure, software licenses and general information technology lasting more than one year and costing more than £1,000. Software licences are amortised over three to five years. Intangibles are revalued annually using indices provided by the ONS.

## **1.7 Pension costs**

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

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension schemes of public appointments in respect of retired Directors and Deputy Directors of Public Prosecutions. A BBA pension arrangement entitles the recipient to benefits similar to the classic and nuvos schemes in both the PCSPS and PCSPS (NI). The Department and members are obliged to make contributions in line with the PCSPS scheme. Provision has been made for the future cost of benefits under this scheme.

Further details regarding the above schemes are contained in Notes 8 and 21.1 to the Accounts.

## **1.8 Financing and Operating income**

### *Financing*

The Department is primarily resourced by funds approved by the NI Assembly through the annual Supply process. Resources are drawn down to meet expenditure requirements and are credited to the General Fund.

### *Operating Income*

Operating income is income which relates directly to the operating activities of the Department. It principally comprises receipts from the Asset Recovery Incentive scheme, recovery of court costs and fees and charges to other departments. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with FReM, is treated as operating income. Operating income is stated net of VAT.

Operating income may be split under the following headings depending in the Statement of Comprehensive Net Expenditure:

- Administration costs
- Programme costs.

### **1.9 Administration and Programme expenditure**

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure as administration or as programme follows the definitions set out by HM Treasury's *Consolidated Budget Guidance*. Broadly, administrative expenditure reflects the costs of running the Department while programme costs relate directly to service delivery activities.

### **1.10 Leases**

#### *Finance leases*

Leases of property, plant and equipment where the Department holds substantially all the risks and rewards of ownership are classified as finance leases.

Finance lease assets are capitalised at the commencement of the lease term at the lower of the present value of the minimum lease payments or the fair value of the leased asset. The corresponding lease commitment is included in the statement of financial position as a finance lease obligation. Depreciation on capitalised leased assets is charged in line with the depreciation policy for similar assets.



Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities.

### *Operating leases*

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

### **1.11 Provisions**

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 3.5 %).

### **1.12 Contingent liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the NI Assembly in accordance with the requirements of HM Treasury's *Financial Reporting Manual* and *Managing Public Money Northern Ireland*.

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

### **1.13 Foreign exchange**

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

### **1.14 Value Added Tax**

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

### **1.15 Insurance**

Departments do not generally insure. No insurance is affected against the following: fire, explosion, common law, third party and similar risks. Notional insurance premiums are not charged to the Statement of Comprehensive Net Expenditure. Instead, expenditure in connection with uninsured risks is charged as incurred.

### **1.16 Notional charges**

Notional charges, in respect of services delivered to and received from other government departments/agencies, are included to reflect the full economic cost of services.

### **1.17 Staff Costs**

Under IAS19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the year end. The cost of untaken leave has been determined using data from staff leave records.

### **1.18 Financial Instruments**

#### **Recognition and de-recognition of financial assets and financial liabilities**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when, the Department becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Department no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

## **Financial assets**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets held in this category are initially recognised and subsequently measured at fair value, with changes in value recognised in the income statement in the line which most appropriately reflects the nature of the item or transaction.

### *Loans and receivables*

Loans and receivables are non derivative assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost using the effective interest method, with changes in carrying value recognised in the Statement of Comprehensive Net Expenditure in a manner which most appropriately reflects the nature of the item or transaction.

### *Trade and other receivables*

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

### *Cash and cash equivalents*

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

For the purposes of the cash flow statement, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

### *Impairment of financial assets*

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



Statement of Comprehensive Net Expenditure. The impairment loss is measured as the difference between that asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is only reversed if it can be related objectively to an event after the impairment was recognised and is reversed to the extent that carrying value of the asset does not exceed its amortised cost at the date of reversal.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. If a financial asset is deemed unrecoverable, the amount of the asset is reduced directly and the impairment loss recognised in the Statement of Comprehensive Net Expenditure to the extent a provision was not previously recognised.

## **Financial Liabilities**

### *Trade and other payables*

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest method.

### *Loans and other borrowings*

Loans and other borrowings are initially recognised at fair value plus directly attributable transactions costs. Where loans and other borrowings contain a separable embedded derivative, the fair value of the embedded derivative is the difference between the fair value of the hybrid instrument and the fair value of the loan or borrowing. The fair value of the embedded derivative and the loan or borrowing is recorded separately on initial recognition.

### **1.19 Critical accounting estimates and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires the Public Prosecution Service to exercise its judgement in the process of applying the Department's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

#### *(i) Depreciation of property, plant and equipment*

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

#### *(ii) Impairment of property, plant and equipment*

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

#### *(iii) Pension and other post retirement benefits*

The Department accounts for pension and other post retirement benefits in accordance with IAS 19. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in Notes 8 and 21.1.

### **1.20 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2012**

The Public Prosecution Service has reviewed the standards, interpretations and amendments to published standards that became effective during 2011-12 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the Department.

### **1.21 Accounting standards, interpretations and amendments to published standards not yet effective**

The International Accounting Standards Board (IASB) have issued new and amended standards (IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements & IFRS 12 Disclosure of Interests in Other Entities) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards have an effective date of January 2013, but have not yet been EU adopted. The application of these IFRS changes is subject to further review by Treasury and the other relevant authorities before due process consultation.

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

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Department's accounting periods beginning on or after 1 April 2012 or later periods, but which the Department has not adopted early. Other than as outlined in the following table, the Department considers that these standards are not relevant to its operations.



Standard	Description of revision	Application date	Comments
IAS 1 - Presentation of financial statements (Other Comprehensive Income (OCI))	Requiring items of OCI to be grouped on the basis of whether they might at some point be reclassified ('recycled') from OCI to profit (e.g. cash flow hedges) or where they will not (e.g. gains on property revaluation). This will make it clearer to users what their potential effect on profit or loss will be in future periods, notably in light of improved disclosure of financial instruments and pensions, and where there will be no impact. Amendments also allow simplified reporting for discontinued operations and OCI tax grouping.	1 June 2012 (not EU adopted yet)	<p>The application of the IAS 1 amendment is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.</p> <p>The <i>FReM</i> interprets IAS 1 disclosure already, notably to ensure consistent reporting across departments. Application will be considered where this enhances public sector reporting.</p>
IFRS 7 - Financial Instruments: Disclosures (annual improvements)	<p>Increased disclosure requirements for transfers of financial assets.</p> <p>Where entities have transferred financial assets outside of the legal body, disclosures are required to reflect the impact of this, particularly where the entity retains some form of interest in those assets.</p>	1 July 2011	The <i>FReM</i> applies IFRS 7 in full, and the expectation is that it will continue to do so. This will incorporate these increased disclosures.
IFRS 13 - Fair Value Measurement	<p>IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise).</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements.</p>	1 January 2013 (not yet EU adopted)	The application of IFRS 13 is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.

The PPS has considered the remaining additional or revised accounting standards and new (or amendments to) interpretations contained within *FReM* 2012-13. The PPS considers that these changes are not relevant to its operations.

## 1.22 Going Concern

The PPS is a non-ministerial department funded by the NI Assembly. While the liabilities of the PPS are relatively high the going concern concept applies to the activities of the Service.

## 2. Analysis of net resource outturn by section

								2011-12 £000	2010-11 £000
	Admin	Other current	Grants	Gross resource expenditure	Accruing resources	Outturn Net Total	Estimate Net Total	Net Total Outturn compared with Estimate	Prior- year Outturn
<b>Request for Resources A</b>									
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
PP & Legal Services	2,128	34,434	-	36,562	(816)	35,746	38,573	2,827	32,019
<b>Non Budget</b>									
Notional Charge	-	41	-	41	-	41	50	9	35
<b>Spending In Annually Managed Expenditure (AME)</b>									
PP & Legal Services	-	189	-	189	-	189	300	111	243
<b>Resource Outturn</b>	<b>2,128</b>	<b>34,664</b>	<b>-</b>	<b>36,792</b>	<b>(816)</b>	<b>35,976</b>	<b>38,923</b>	<b>2,947</b>	<b>32,297</b>

### Explanation of the variation between Estimate and Outturn for each Request for Resource

A saving of £2.947m was made on the total net outturn as compared to estimate with regards to the resource spend. The main reasons for this saving are outlined below.

#### Request for Resources A - £2.947m

#### Spending in Departmental Expenditure Limits Operating Costs

**Payroll Costs** - £1,373k of this variance derived from savings in pay costs; the majority of which, £1m, is in relation to the funding sought in respect of the consequential claims arising from the settlement of a High Court action for breach of contract. These were not resolved during 2011-12 as anticipated and have only been disclosed as a contingent liability in the 2011-12 accounts.

**Operating Costs** - £1,574k related to savings across a range of non staff costs including counsel fees, accommodation running costs and general overheads.

Further details regarding financial performance are contained within the Management Commentary.

## 2.1 Analysis of net expenditure by segment

In the opinion of the Management Board, PPS operates only one reportable segment and all income and expenditure as shown in the Statement of Comprehensive Net Expenditure is attributable to the overall services provided by PPS. PPS is funded by the Department of Finance and Personnel and has a single Request for Resources. All non-current assets are located in Northern Ireland.

## 3. Reconciliation of outturn to net operating cost and against Administration Budget

### 3.1 Reconciliation of net resource outturn to net operating cost

	Note	Outturn	Supply Estimate	2011-12 £000  Outturn compared with Estimate: saving/ (excess)	2010-11 £000  Outturn
Net Resource Outturn	2	35,976	38,923	2,947	32,297
Prior Period Adjustments		-	-	-	-
Non-supply Expenditure		-	-	-	-
<b>Net Operating Cost</b>		<b>35,976</b>	<b>38,923</b>	<b>2,947</b>	<b>32,297</b>

Net resource outturn is the total of those elements of expenditure and income that are subject to Assembly approval and included in the Department's Supply estimate. The outturn against Estimate is shown in the Statement of Assembly Supply. Net operating cost is the total expenditure and income appearing in the Statement of Comprehensive Net Expenditure.

### 3.2 Outturn against final Administration Budget

	Budget	2011-12 £000 Outturn	2010-11 £000 Outturn
Gross Administration Budget	2,432	2,128	1,795
Income allowable against the Administration Budget	-	-	-
<b>Net outturn against final Administration Budget</b>	<b>2,432</b>	<b>2,128</b>	<b>1,795</b>

#### 4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate	Outturn	2011-12 £000  Net Total Outturn compared with estimate: saving/(excess)
Resource Outturn	2	38,923	35,976	2,947
<i>Capital:</i> Acquisition of non-current assets	13,14	371	286	85
<i>Accruals adjustments:</i> Non-cash items	10	(2,129)	(1,647)	(482)
Changes in working capital other than cash	17,20	93	(2,269)	2,362
Changes in other payables falling due after more than one year	20	-	341	(341)
Use of provision	21	176	176	-
<b>Net cash requirement</b>		<b>37,434</b>	<b>32,863</b>	<b>4,571</b>

Further details regarding financial performance are contained within the Management Commentary.

#### 5. Income payable to the Consolidated Fund

##### 5.1 Analysis of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2011-12		Outturn 2011-12	
		Income	£000 <i>Receipts</i>	Income	£000 <i>Receipts</i>
Operating income and receipts – excess Accruing Resources	6	-	-	-	-
Other non-operating income not classified as Accruing Resources		-	-	23	23
		-	-	-	-
Non-operating income and receipts – excess Accruing Resources	7	-	-	-	-
Amounts collected on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
<b>Total income payable to the Consolidated Fund</b>		-	-	<b>23</b>	<b>23</b>

## 5.2 Consolidated Fund Income

Consolidated Fund income shown in Note 5.1 above does not include any amounts collected by the Department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements) were:

	Note	2011-12 £000	2010-11 £000
Fines and penalties		-	-
Amount payable to the Consolidated Fund		-	23
Balance held at the start of the year		17	-
Payments into the Consolidated Fund		(17)	(6)
<b>Balance held on trust at the end of the year</b>		<b>-</b>	<b>17</b>

## 6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2011-12 £000	2010-11 £000
Operating income	11	816	827
Gross income		816	827
Income authorised to be Accruing Resources	2	(816)	(827)
<b>Operating income payable to the Consolidated Fund</b>	<b>5</b>	<b>-</b>	<b>-</b>

## 7. Non-operating income - Excess Accruing Resources

	Note	2011-12 £000	2010-11 £000
Proceeds on disposal of property, plant and equipment	5	-	17
<b>Non-operating income – excess Accruing Resources</b>		<b>-</b>	<b>17</b>

Consolidated Fund Extra Receipts which do not fall to be treated as operating income are payable directly to the Consolidated Fund. These amounts comprise sundry receipts, which have not been incorporated into the Estimate due to their irregular nature and/or uncertainty of receipt.

## 8. Staff numbers and related costs

### 8.1 Staff costs

Staff costs comprise:

	Total	Permanently Employed Staff	Others	Ministers	2011-12 £000 Special advisers	2010-11 £000 Total
<b>Administration staff costs</b>						
Wages and salaries	1,329	1,329	-	-	-	1,077
Social security costs	105	105	-	-	-	78
Other pension costs	258	258	-	-	-	196
<b>Sub Total</b>	<b>1,692</b>	<b>1,692</b>	-	-	-	<b>1,351</b>
Inward Secondments	115	115	-	-	-	103
<b>Total Administration</b>	<b>1,807</b>	<b>1,807</b>	-	-	-	<b>1,454</b>
<b>Programme staff costs</b>						
Wages and salaries	15,281	15,174	107	-	-	13,705
Social security costs	1,246	1,240	6	-	-	1,034
Other pension costs	3,427	3,426	1	-	-	2,173
<b>Sub Total</b>	<b>19,954</b>	<b>19,840</b>	<b>114</b>	-	-	<b>16,912</b>
Outward secondments	(26)	(26)	-	-	-	(33)
<b>Total Programme</b>	<b>19,928</b>	<b>19,814</b>	<b>114</b>	-	-	<b>16,879</b>
<b>Total Staff Costs*</b>	<b>21,735</b>	<b>21,621</b>	<b>114</b>	-	-	<b>18,333</b>

\*Of the total, £Nil (2010-11: £Nil) has been charged to capital

The Principal Civil Service Pension Scheme (PCSPS) and PCSPS(NI) are unfunded multi-employer defined benefit schemes but the Public Prosecution Service is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuations of both the PCSPS and PCSPS(NI) were carried out as at March 2007. Details of the PCSPS valuation can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/my-civil-service/pensions](http://www.civilservice.gov.uk/my-civil-service/pensions)). Details of the PCSPS(NI) valuation can be found in the PCSPS(NI) resource accounts.

For 2011-12, employers' contributions of £2,969,131 (2010-11: £2,789,198) were payable to the PCSPS (NI) and PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay for PCSPS and 18% to 25% of pensionable pay for PCSPS(NI), based on salary bands. The difference between this amount and the amount disclosed above relates to pension costs recouped on seconded staff and pension contributions to the Broadly By Analogy



schemes detailed below. The PCSPS Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The PCSPS (NI) Actuary reviews employer contributions every 4 years following a full scheme valuation. From 2011-12, the rates will be in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account; a stakeholder pension with an employer contribution. Employers' contributions of £2,592 (2010-11: £2,263) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £298 (0.8%) of pensionable pay were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting date were £nil, as the contributions are paid over to the pension providers on a monthly basis. Contributions prepaid at that date were £nil.

No persons retired early on ill-health grounds and the total additional accrued pension liabilities in the year amounted to £ nil.

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension schemes of public appointments in respect of retired Directors and Deputy Directors of Public Prosecutions. A BBA pension arrangement entitles the recipient to benefits similar to the classic scheme in both the PCSPS and PCSPS (NI). The scheme liabilities were calculated by the Government Actuary's Department in April 2012 and amount to £3.591m at 31 March 2012 (2010-11: £3.455m).

### Provisions included within Note 8 - Staff Costs

	2011-12 £000	2010-11 £000
<b>Broadly By Analogy (BBA) pension schemes:</b>		
Provided in year	-	26
Provisions not required written back	-	(452)
<b>Pension provisions provided in year - Notes 10</b>	-	<b>(426)</b>

Further details are contained in Note 21.

## 8.2 Average number of persons employed

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

	Total	Permanent Staff	Others	Ministers	2011-12 Number Special Advisers	2010-11 Number Total
<b>RfR A</b>						
Objective A	567	550	17	-	-	547
<b>Total</b>	<b>567</b>	<b>550</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>547</b>

## 9. Other Administration Costs

	Note	2011-12 £000	2010-11 £000
<b>Rentals under operating leases:</b>			
Hire of plant and machinery		-	2
Other operating leases		128	154
		<b>128</b>	<b>156</b>
Property running costs		<b>68</b>	<b>81</b>
Rates		<b>77</b>	<b>76</b>
<b>Non-cash items:</b>			
Depreciation and amortisation of non-current assets:			
Property, plant and equipment	13	-	-
Intangible assets	14	-	-
(Profit)/Loss on disposal of non-current assets	7,13,14	-	-
Permanent diminution	13,14	-	-
Cost of capital charge		-	-
Auditor's remuneration and expenses		-	-
Provisions:			
Provided in year	21	-	-
Written back in year	21	-	-
Other notional		-	-
		-	-
<b>Other expenditure</b>		<b>48</b>	<b>28</b>
<b>Total</b>		<b>321</b>	<b>341</b>

## 10. Programme Costs

	Note	2011-12 £000	2010-11 £000
Fees to independent counsel		5,408	5,195
Court related costs		751	782
Property running costs		1,392	1,544
Rates		686	738
IT and telephone maintenance and consumables		814	1,090
Postage, stationery, printing and publications		511	443
Training and professional subscriptions		302	290
Other current expenditure – RfR A		1,395	1,307
		<b>11,259</b>	<b>11,389</b>
<b>Rentals under operating leases:</b>			
Hire of plant and machines		40	30
Other operating leases		1,790	1,664
		<b>1,830</b>	<b>1,694</b>
<b>Non-cash items:</b>			
Depreciation and amortisation of non-current assets:			
Property, plant and equipment	13	1,231	1,364
Intangible assets	14	174	172
Permanent Diminution	13,14	4	25
Impairment of non-current assets	13,14	-	-
Write-off of non-current assets	13,14	-	-
(Profit)/Loss on disposal of non-current assets	7,13,14	8	5
Other fixed asset adjustments	7,13,14	-	(12)
Provisions:			
Provided in year	21	-	26
Borrowing Costs (Unwinding of discount)	21	-	-
Interest	21	189	204
Written back in year	21	-	(452)
Notional interest on loans		-	-
Consolidated Fund Standing Services		-	-
Auditor's remuneration and expenses		41	35
Other programme notional excluding auditor's remuneration		-	-
		<b>1,647</b>	<b>1,367</b>
<b>Consolidated Fund Standing Services</b>		-	-
<b>Programme costs (see below)</b>		<b>14,736</b>	<b>14,450</b>
Less: programme income	11.1	(816)	(827)
<b>Total</b>		<b>13,920</b>	<b>13,623</b>

Auditor's remuneration relates entirely to audit work.

## 11. Income

Operating income not classified as Accruing Resources (i.e. surrenderable to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not. In 2011-12, all operating income not classified as Accruing Resources was within public expenditure.

### 11.1 Analysis of operating income

	2011-12 £000	2010-11 £000
<b>Administration income:</b>		
Fees and charges to external customers	-	-
Fees and charges to other departments	-	-
Estimate cover Accruing Resources	-	-
Other	-	-
<b>Programme income:</b>		
Receipts from the Asset Recovery Incentive scheme	613	636
Recovery of court and conference costs	75	46
Fees and charges to other departments	128	145
	816	827
<b>Total</b>	<b>816</b>	<b>827</b>

## 12. Analysis of net operating cost by spending body

	Estimate	2011-12 £000 Outturn	2010-11 £000 Outturn
<b>Request for Resources A</b>			
<b>Spending body:</b>			
Public Prosecution Service	38,923	35,976	32,297
<b>Net operating cost</b>	<b>38,923</b>	<b>35,976</b>	<b>32,297</b>

### 13. Property, plant and equipment

	Buildings £000	Plant & Machinery £000	Information Technology £000	Assets Under Construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2011	11,926	1,012	2,657	954	<b>16,549</b>
Opening balance adjustment ( <i>Note a</i> )	-	-	-	(11)	<b>(11)</b>
Revised opening balance	11,926	1,012	2,657	943	<b>16,538</b>
Additions	52	44	196	-	<b>292</b>
Disposals	-	(16)	(231)	-	<b>(247)</b>
Transfer to AAD	25	(10)	(186)	-	<b>(171)</b>
Impairment	-	-	(15)	-	<b>(15)</b>
Revaluations	271	3	(2)	-	<b>272</b>
<b>At 31 March 2012</b>	<b>12,274</b>	<b>1,033</b>	<b>2,419</b>	<b>943</b>	<b>16,669</b>
<b>Depreciation</b>					
At 1 April 2011	3,280	342	1,615	-	<b>5,237</b>
Charged in year	679	125	427	-	<b>1,231</b>
Disposals	-	(12)	(226)	-	<b>(238)</b>
Transfers	4	8	(158)	-	<b>(146)</b>
Impairment	-	-	(12)	-	<b>(12)</b>
Revaluations	88	-	(1)	-	<b>87</b>
<b>At 31 March 2012</b>	<b>4,051</b>	<b>463</b>	<b>1,645</b>	<b>-</b>	<b>6,159</b>
<b>Carrying amount at 31 March 2012</b>	<b>8,223</b>	<b>570</b>	<b>774</b>	<b>943</b>	<b>10,510</b>
<b>Carrying amount at 31 March 2011</b>	<b>8,646</b>	<b>670</b>	<b>1,042</b>	<b>954</b>	<b>11,312</b>
<b>Asset financing:</b>					
Owned	8,223	570	774	943	<b>10,510</b>
<b>Carrying amount at 31 March 2012</b>	<b>8,223</b>	<b>570</b>	<b>774</b>	<b>943</b>	<b>10,510</b>

Note:

- a. The opening balance for Assets under construction includes accruals for professional fees which were estimated during 2011-12. During the year ended 31 March 2012 actual professional fee costs were £11,000 less than estimated therefore the opening balance has been adjusted accordingly.

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

	Buildings £000	Plant & Machinery £000	Information Technology £000	Assets Under Construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2010	11,504	888	3,011	740	<b>16,143</b>
Opening balance adjustments ( <i>Note a</i> )	-	-	(373)	-	<b>(373)</b>
Revised opening balance	11,504	888	2,638	740	<b>15,770</b>
Additions	50	114	116	214	<b>494</b>
Disposals	-	(10)	(42)	-	<b>(52)</b>
Impairment	-	(9)	(43)	-	<b>(52)</b>
Revaluations ( <i>Note b</i> )	372	29	(12)	-	<b>389</b>
<b>At 31 March 2011</b>	<b>11,926</b>	<b>1,012</b>	<b>2,657</b>	<b>954</b>	<b>16,549</b>
<b>Depreciation</b>					
At 1 April 2010	2,542	223	1,446	-	<b>4,211</b>
Opening balance adjustments	-	-	(368)	-	<b>(368)</b>
Revised opening balance	2,542	223	1,078	-	<b>3,843</b>
Charged in year	637	115	612	-	<b>1,364</b>
Disposals	-	(6)	(41)	-	<b>(47)</b>
Impairment	-	(2)	(29)	-	<b>(31)</b>
Revaluations	101	12	(5)	-	<b>108</b>
<b>At 31 March 2011</b>	<b>3,280</b>	<b>342</b>	<b>1,615</b>	<b>-</b>	<b>5,237</b>
<b>Carrying amount at 31 March 2011</b>	<b>8,646</b>	<b>670</b>	<b>1,042</b>	<b>954</b>	<b>11,312</b>
<b>Carrying amount at 31 March 2010</b>	<b>8,962</b>	<b>665</b>	<b>1,565</b>	<b>740</b>	<b>11,932</b>
<b>Asset financing:</b>					
Owned	8,646	670	1,042	954	<b>11,312</b>
<b>Carrying amount at 31 March 2011</b>	<b>8,646</b>	<b>670</b>	<b>1,042</b>	<b>954</b>	<b>11,312</b>

*Notes:*

a. *Opening balance adjustments arose from the restatement of assets capitalised incorrectly historically.*

b. *The Public Prosecution Service has capitalised the fit out costs of its offices as buildings. All assets were revalued on the basis of the latest available indices at 31 January 2011. There was no material difference between this value and the value at 31 March 2011.*



## 14. Intangible assets

	Development expenditure £000	Information technology £000	Software licences £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2011	549	381	242	1,172
Additions	-	-	5	5
Disposals	(50)	(83)	(79)	(212)
Transfers	183	(61)	51	173
Impairment	(1)	(1)	-	(2)
Revaluation ( <i>Note a</i> )	(2)	(2)	-	(4)
<b>At 31 March 2012</b>	<b>679</b>	<b>234</b>	<b>219</b>	<b>1,132</b>
<b>Amortisation</b>				
At 1 April 2011	146	167	178	491
Charged in year	91	59	24	174
Disposals	(49)	(83)	(79)	(211)
Transfers	144	(24)	27	147
Impairment	-	(1)	-	(1)
Revaluation ( <i>Note a</i> )	(1)	(1)	-	(2)
<b>At 31 March 2012</b>	<b>331</b>	<b>117</b>	<b>150</b>	<b>598</b>
<b>Carrying amount at 31 March 2012</b>	<b>348</b>	<b>117</b>	<b>69</b>	<b>534</b>
<b>Carrying amount at 31 March 2011</b>	<b>403</b>	<b>214</b>	<b>64</b>	<b>681</b>
<b>Asset Financing:</b>				
Owned	348	117	69	534
<b>Carrying amount at 31 March 2012</b>	<b>348</b>	<b>117</b>	<b>69</b>	<b>534</b>

*Notes:*

a. *Intangible assets are adjusted to their current value each year by reference to appropriate indices compiled by the Office of National Statistics.*

## 14. Intangible assets (continued)

	Development expenditure £000	Information technology £000	Software licences £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2010	347	394	201	<b>942</b>
Opening balance adjustments	17	-	-	<b>17</b>
Revised opening balance	364	394	201	<b>959</b>
Additions	203	-	45	<b>248</b>
Disposals	(8)	(5)	-	<b>(13)</b>
Impairment	(3)	-	(1)	<b>(4)</b>
Revaluations ( <i>Note a</i> )	(7)	(8)	(3)	<b>(18)</b>
<b>At 31 March 2011</b>	<b>549</b>	<b>381</b>	<b>242</b>	<b>1,172</b>
<b>Amortisation</b>				
At 1 April 2010	71	113	157	<b>341</b>
Charged in year	86	62	24	<b>172</b>
Disposals	(8)	(5)	-	<b>(13)</b>
Impairment	-	-	-	<b>-</b>
Revaluations ( <i>Note a</i> )	(3)	(3)	(3)	<b>(9)</b>
<b>At 31 March 2011</b>	<b>146</b>	<b>167</b>	<b>178</b>	<b>491</b>
<b>Carrying amount at 31 March 2011</b>	<b>403</b>	<b>214</b>	<b>64</b>	<b>681</b>
<b>Carrying Amount at 31 March 2010</b>	<b>276</b>	<b>281</b>	<b>44</b>	<b>601</b>
<b>Asset Financing:</b>				
Owned	403	214	64	<b>681</b>
<b>Carrying amount at 31 March 2011</b>	<b>403</b>	<b>214</b>	<b>64</b>	<b>681</b>

### Notes:

a. *Intangible assets are adjusted to their current value each year by reference to appropriate indices compiled by the Office of National Statistics.*

## 15. Financial Instruments

IFRS 7 *Financial Instruments: Disclosures* requires disclosure that enables evaluation of the significance of financial instruments for the Department's financial position and performance, the nature and extent of risks arising from financial instruments to which the Department is exposed during the period and at the reporting date, and how the Department manages those risks. As a result of the non-trading nature of its activities and the way in which Government Departments are financed, the Public Prosecution Service is not exposed to the degree of financial risk faced by business entities.

The Department has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the Department in undertaking its activities.

### *Classification of financial instruments*

All departmental financial instruments are measured at amortised cost. The Department's financial assets are classified as loans and receivables and comprise trade and other receivables (Note 17) and cash and cash equivalents (Note 18). The Department's financial liabilities comprise payables excluding tax assets, accruals and deferred income (Note 20). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. The Department recognises the components of net gain/loss through the Statement of Comprehensive Net Expenditure. Interest on financial instruments, where applicable, is recognised in finance costs (Note 10) under Programme Costs.

### **Risk Management**

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department does not provide services to non governmental organisations and is not exposed to significant credit risk.

#### *Liquidity risk*

The Department's net revenue resource requirements are financed by resources voted annually by the Assembly, as is its capital expenditure. The Public Prosecution Service is not, therefore, exposed to significant liquidity risks.

#### *Currency Risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Public Prosecution Service does not undertake material transactions in currencies other than GBP and is not exposed to significant currency risk.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Department is therefore not exposed to any interest rate risk.

### **15.1 Financial Guarantees, Indemnities and Letters of Comfort**

The Department has not entered into any quantifiable or unquantifiable guarantees, indemnities or provided letters of comfort that fall to be measured under IAS 39 *Financial Instruments: Recognition and Measurement*.

## 16. Impairments

	2011-12 £000	2010-11 £000
Amount charged to the Statement of Comprehensive Net Expenditure	4	25
Amount taken through the revaluation reserve	183	272
<b>Total Impairment charge for the year</b>	<b>187</b>	<b>297</b>

## 17. Trade receivables and other current assets

	2011-12 £000	2010-11 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	2,496	259
Other receivables	-	203
Prepayments and accrued income	444	662
VAT	334	359
	<b>3,274</b>	<b>1,483</b>
<b>Amounts falling due after more than one year</b>	-	-
	-	-
<b>Total</b>	<b>3,274</b>	<b>1,483</b>

### 17.1 Intra-Government Balances

	2011-12 £000	2010-11 £000
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	3,006	885
Balances with Local Authorities	2	-
Balances with bodies external to government	266	598
<b>Total Receivables at 31 March 2012</b>	<b>3,274</b>	<b>1,483</b>

	2011-12 £000	2010-11 £000
<b>Amounts falling due after more than one year:</b>		
Balances with other central government bodies	-	-
Balances with bodies external to government	-	-
<b>Total Receivables at 31 March</b>	<b>-</b>	<b>-</b>

## 18. Cash and cash equivalents

	2011-12 £000	2010-11 £000
Balance at 1 April	96	-
Net change in cash and cash equivalents balance	470	96
<b>Balance at 31 March</b>	<b>566</b>	<b>96</b>
The following balances at 31 March are held at:		
Office of HM Paymaster General	-	-
Commercial banks and cash in hand	566	96
<b>Balance at 31 March</b>	<b>566</b>	<b>96</b>

## 19. Reconciliation of Net Cash Requirement to increase/(decrease) in cash

	2011-12 £000	2010-11 £000
Net cash requirement	(32,863)	(33,050)
From the Consolidated Fund (Supply) – current year	36,173	33,389
From the Consolidated Fund (Supply) – prior year	(339)	-
Balance held by Department of Justice	(2,484)	(260)
Amounts due to the Consolidated Fund received and not paid over	-	17
Amounts due to the Consolidated Fund received last year	(17)	-
<b>Increase / (decrease) in cash</b>	<b>470</b>	<b>96</b>

## 20. Trade payables and other current liabilities

	2011-12 £000	2010-11 £000
<b>Amounts falling due within one year:</b>		
Trade payables	7	4
Other payables	536	570
Accruals and deferred income	7,186	5,662
Property, plant and equipment accruals	363	281
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:		
Received	-	17
Excess Accruing Resources		
Amounts issued from consolidated fund but not spent at year end	2,971	339
	<b>11,063</b>	<b>6,873</b>
<b>Amounts falling due after more than one year:</b>		
Other payables	-	341
	-	<b>341</b>
<b>Total</b>	<b>11,063</b>	<b>7,214</b>

## 20.1 Intra-Government Balances

	2011-12 £000	2010-11 £000
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	4,262	1,041
Balances with Local Authorities	-	-
Balances with bodies external to government	6,801	5,832
<b>Total Payables at 31 March</b>	<b>11,063</b>	<b>6,873</b>

	2011-12 £000	2010-11 £000
<b>Amounts falling due after more than one year:</b>		
Balances with other central government bodies	-	-
Balances with bodies external to government	-	341
<b>Total Payables at 31 March</b>	<b>-</b>	<b>341</b>

The above table details the Payables shown in Note 20 and the Statement of Financial Position.

## 21. Provisions for liabilities and charges

	2011-12 £000	2010-11 £000
<b>Pension:</b>		
Balance at 1 April 2012	3,455	5,147
Provided in the year	-	26
Actuarial loss/(gain)	123	(784)
Provisions not required written back	-	(452)
Provisions utilised in the year	(176)	(686)
Borrowing Costs (unwinding of discount)	189	204
<b>Balance at 31 March 2012</b>	<b>3,591</b>	<b>3,455</b>

All provisions represent the best estimate of the expenditure required to settle the obligation at the date of approval of the financial statements.



## 21.1 Pensions – Broadly By Analogy Pension Scheme £3.591m (2010-11: £3.455m)

The Public Prosecution Service is responsible for the Broadly By Analogy (BBA) pension schemes in respect of a number of its former public appointments. A BBA pension arrangement entitles the recipient to benefits similar to the classic scheme in both the PCSPS and PCSPS (NI). The Public Prosecution Service and members were obliged to make contributions in line with the PCSPS and the Department is responsible for paying accrued benefits. It is considered that the scheme is no longer available to new entrants.

The BBA pension provision is unfunded, with benefits being paid as they fall due and guaranteed by the Department for service provided. There is no fund, and therefore no surplus or deficit. The scheme liabilities at 31 March 2012 were £3.591m (31 March 2011: £3.455m) as calculated by the Government Actuary's Department.

### Present value of scheme liabilities

	2011-12 £000	2010-11 £000
Liability in respect of:		
Active members	-	-
Current pensioners	3,591	3,455
<b>Total present value of scheme liabilities at 31 March</b>	<b>3,591</b>	<b>3,455</b>

Liabilities are valued on an actuarial basis using the Projected Unit Method.

### Assumptions

	2011-12 %	2010-11 %
Inflation assumption	2.00	2.65
Rate of increase in salaries	4.25	4.90
Rate of increase for pensions in payment and deferred pensions	2.00	2.65
Rate used to discount scheme liabilities	4.85	5.60

### Assumptions - Life expectancy at Retirement

	2011-12 Years	2010-11 Years
<b>Current Pensioners</b>		
Exact Age:		
Male officers currently aged 60	29	29
Male officers currently aged 65	24	24

**Analysis of movement in scheme liability**

	2011-12 £000	2010-11 £000
Scheme liability at 1 April	3,455	5,147
Movement in the year:		
Current service cost (net of employee contributions)	-	25
Interest cost	189	204
Employee contributions	-	1
Actuarial (gain)/loss	123	(784)
Provisions not required written back	-	(452)
Benefits paid	(176)	(686)
<b>Scheme liability at 31 March</b>	<b>3,591</b>	<b>3,455</b>

**Expense to be recognised in the Statement of Comprehensive Net Expenditure**

	2011-12 £000	2010-11 £000
Current service cost (net of employee contributions)	-	25
Interest cost	189	204
Provisions not required written back	-	(452)
<b>Total expense/(income)</b>	<b>189</b>	<b>(223)</b>

**Actuarial (gain)/loss to be recognised in the Statement of Changes in Taxpayers' Equity**

	2011-12 £000	2010-11 £000
Experience (gain)/loss arising on the scheme liabilities	70	(566)
Changes in assumptions underlying the present value of the scheme liabilities	53	(218)
<b>Total actuarial (gain)/loss</b>	<b>123</b>	<b>(784)</b>

**History of experience (gains)/losses**

	2011-12	2010-11
Experience (gain)/loss arising on the scheme liabilities		
Amount (£000)	70	(566)
Percentage of scheme liabilities at the end of year	1.9%	-16.4%

**Estimate of contributions expected to be paid into the scheme over the year 1 April 2012 to 31 March 2013**

The Public Prosecution Service does not anticipate having any future entrants to Broadly By Analogy pension schemes. On this basis during the financial year 2012-13 it is estimated that total contributions to the scheme will be £nil.

## 22. Capital and other commitments

### 22.1 Capital Commitments

	2011-12 £000	2010-11 £000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	-	-
Intangible assets	-	-

### 22.2 Commitments under leases

#### 22.2.1 Operating leases

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

	2011-12 £000	2010-11 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
<i>Buildings:</i>		
Not later than one year	1,834	1,834
Later than one year and not later than five years	7,334	7,334
Later than five years	13,392	15,333
	<b>22,560</b>	<b>24,501</b>
<i>Other:</i>		
Not later than one year	45	3
Later than one year and not later than five years	60	-
Later than five years	-	-
	<b>105</b>	<b>3</b>
<b>Total</b>	<b>22,665</b>	<b>24,504</b>

#### 22.2.2 Finance leases

The Public Prosecution Service has no obligations under finance leases.

## 23. Contingent liabilities disclosed under IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Listed below are the Public Prosecution Service's contingent liabilities that have not been recognised as provisions because their existence will only be confirmed by the occurrence of one or more uncertain future events, not wholly within the Department's control.

<p>(i) Description of liability:</p> <p>Expected date of Settlement:</p> <p>Uncertainties and major assumptions:</p>	<p>Potential damages and defence legal costs which could be awarded against the Public Prosecution Service.</p> <p>Settlement dates are unknown.</p> <p>These costs generally arise from legal proceedings taken against the Public Prosecution Service including, for example, restraint and confiscation proceedings or an award of costs against the Public Prosecution Service to a non-legally aided defendant.</p>
<p>(ii) Description of liability:</p> <p>Expected date of Settlement:</p> <p>Uncertainties and major assumptions:</p>	<p>Supplier contracts, employment and personnel cases outstanding against the Public Prosecution Service.</p> <p>Settlement dates are unknown.</p> <p>These claims have not been provided for in the Department's financial statements as they are as yet unresolved.</p>
<p>(iii) Description of liability:</p> <p>Expected date of Settlement:</p> <p>Uncertainties and major assumptions:</p>	<p>Following the High Court settlement referred to in the financial performance report, there is the potential for consequential claims arising from industrial tribunal hearings.</p> <p>Settlement dates are unknown.</p> <p>These costs will be reliant on the outcome of industrial tribunal cases. Case management directions have commenced and a date has been set for the hearing. There is uncertainty regarding the outcome and the quantum of any settlement payable.</p>

## 24. Losses and special payments

### 24.1 Special Payments

	Number of cases	2011-12 £000	Number of cases	2010-11 £000
<b>Details of cases</b>				
Compensation payments	1	1,782	1	13
Ex-gratia payment	1	1	-	-
<b>Total</b>	<b>2</b>	<b>1,783</b>	<b>1</b>	<b>13</b>

The PPS made three special payments during the period. Two compensation payments and an ex-gratia payment. One of the compensation payments and the ex-gratia payment were within the delegated authority of the PPS and did not require DFP approval.

### **Compensation Payment**

Case 1 - During 2011-12 there was a special payment (2010-11: none) in excess of £250,000 relating to a breach of contract case taken against the Northern Ireland Office (NIO) and the Department of Finance and Personnel by 53 lawyers employed by the Northern Ireland Civil Service, 22 of these lawyers are employed by the Public Prosecution Service. On the strong advice of counsel, agreement was reached in principle with the Plaintiffs to settle their claims. The total amount payable by the PPS is currently estimated at £1,780k with the remaining costs being met by DFP and the NIO.

Case 2 - PPS paid £1,500 in compensation to a supplier's employee who suffered injury whilst on PPS premises.

### **Ex-gratia Payment**

On the basis of advice from the Crown Solicitors Office, an out of court settlement of £1,500 was made during the period for damages in respect of unlawful imprisonment.

## **25. Related-party transactions**

The Public Prosecution Service has had a number of material transactions with other government bodies. Most of these transactions have been with the Department of Finance and Personnel.

The Department of Justice has continued to undertake transaction processing for the PPS under a Service Level Agreement during 2011-12. These arrangements will come to an end during 2012-13 when both Departments will enter the Account NI shared service centre.

During 2011-12 the Public Prosecution Service paid total professional fees of £77k (excluding VAT) to a barrister married to a Senior Assistant Director of the Public Prosecution Service. The Senior Assistant Director retired on 28 October 2011 and £49k of these payments were made before that date.

## **26. Events after the reporting date**

As described in Note 21.1, PPS is responsible for the Broadly By Analogy pension scheme in respect of a number of its former public appointments. The liability in respect of the BBA pension scheme at 31 March 2012 was £3.591m. After the end of the reporting period the death of a member of the scheme occurred. PPS cannot currently estimate the financial effect that this event may have on the pension provision.

### **Date authorised for issue**

The Accounting Officer authorised these financial statements for issue on 25 June 2012.

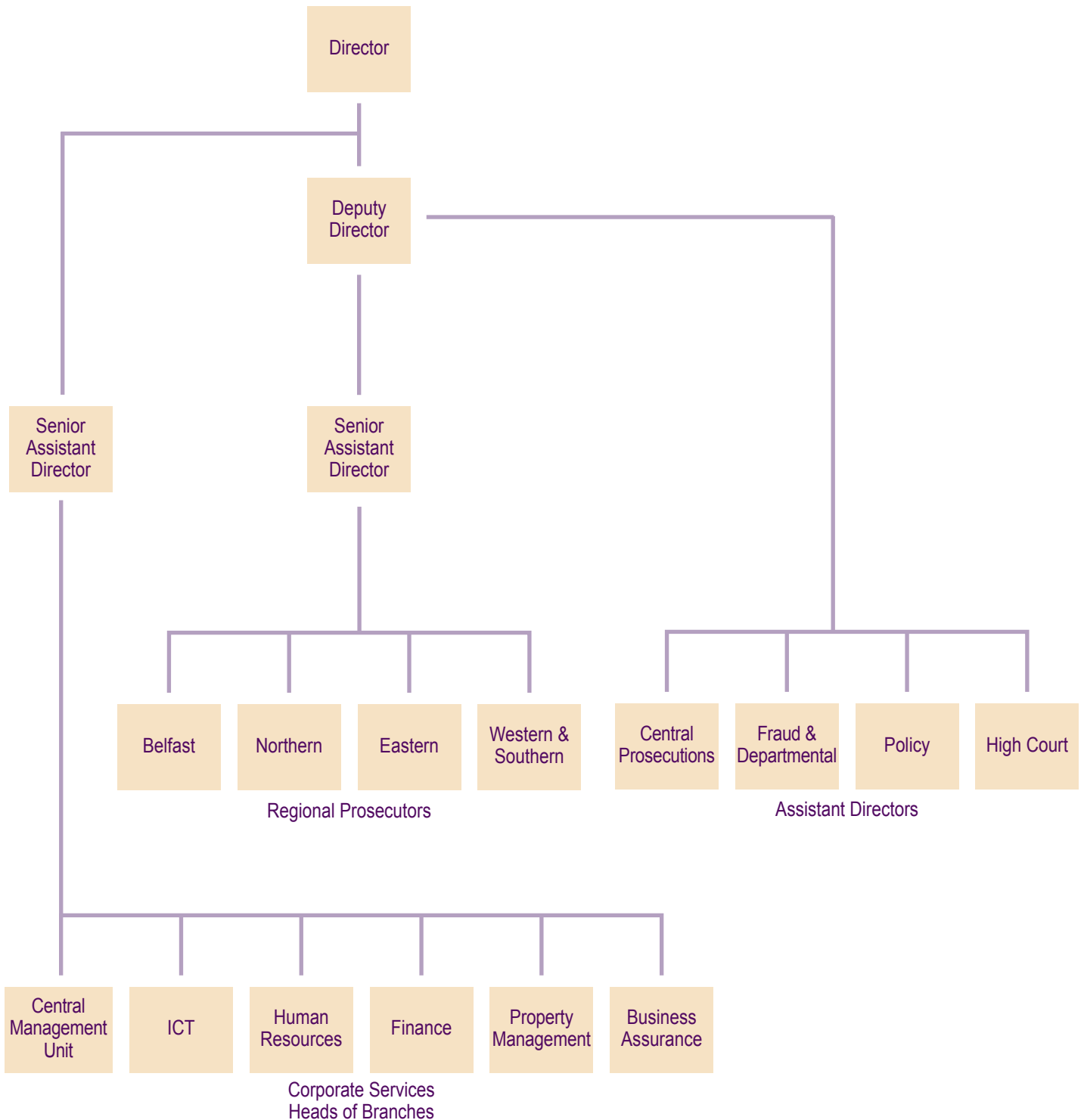
# Part 3: Annexes





# Annex A:

## PPS Organisation Chart



# Annex B:

## Performance against Key Milestones 2011-12

### Strategic Priority 1:

Delivering an efficient and effective prosecution service

2011-12 Objective / Milestone	Target Date for Completion	Outcome
<p><b>Objective 1.1</b> To promote the highest standard of prosecutorial decision-making and case preparation and prosecute in the most effective manner</p> <ul style="list-style-type: none"> <li>- Agreement of Quality Assurance work programme for each financial year.</li> <li>- Policy on Dealing with Cases involving People Trafficking published for consultation.</li> <li>- Policy on Dealing with Cases involving Youth Offenders published for consultation.</li> </ul>	<p>30 April 2011</p> <p>31 August 2011</p> <p>31 March 2012</p>	<p>Achieved</p> <p>Deferred to 2012-13</p> <p>Deferred to 2012-13</p>
<p><b>Objective 1.2</b> To work with partners to improve our service delivery and reduce avoidable delay</p> <ul style="list-style-type: none"> <li>- Achievement of agreed PPS objectives as set out in the Case Preparation Project Plan.</li> <li>- Updated PPS/PSNI Protocol signed off.</li> <li>- Arrangements in place for the immediate youth conferencing scheme.</li> <li>- Agreements in place with departments and agencies.</li> <li>- Arrangements in place for conditional cautioning.</li> </ul>	<p>To agreed timetable</p> <p>31 March 2012</p> <p>31 December 2011</p> <p>31 March 2012</p> <p>In line with legislative timetable</p>	<p>Achieved</p> <p>Not Achieved</p> <p>Partially Achieved</p> <p>Partially Achieved</p> <p>Achieved</p>

2011-12 Objective / Milestone	Target Date for Completion	Outcome
<b>Objective 1.3</b> <b>To develop and embed our advocacy strategy</b>		
- Arrangements in place for assessing advocacy standards.	31 December 2011	Partially Achieved
- Panel of External Counsel reconstituted (via open competition).	31 March 2012	Deferred to November 2012

## Strategic Priority 2:

### Building the confidence and trust of the community we serve

2011-12 Objective / Milestone	Target Date for Completion	Outcome
<b>Objective 2.1</b> <b>To provide an enhanced service to victims and witnesses</b>		
- Rollout of the Young Witness Referral Scheme completed.	In line with agreed timetable	Achieved
- Review of information provision to victims and witnesses completed.	30 September 2011	Achieved
- Review of PPS Court Witness payments completed.	31 March 2012	Deferred to 2012-13
<b>Objective 2.2</b> <b>To engage effectively with stakeholders and the wider community</b>		
- Equality Scheme produced.	30 September 2011	Achieved
- Revised arrangements for the handling of complaints implemented.	31 March 2012	Achieved

### Strategic Priority 3: Strengthening our capability to deliver

2011-12 Objective / Milestone	Target Date for Completion	Outcome
<p><b>Objective 3.1</b> <b>To provide value for money through the improved management of resources and the development of our resource planning</b></p> <ul style="list-style-type: none"> <li>- Revised Scheme for payment of counsel fees implemented.</li> <li>- ICT 'Electronic Tablet' Pilot Project completed.</li> <li>- Achievement of agreed objectives as set out in the ICT Strategy.</li> <li>- Production of Report into Progress against the PPS Sustainability Action Plan.</li> </ul>	<p>31 December 2011</p> <p>31 March 2012</p> <p>31 March 2012</p> <p>31 March 2012</p>	<p>Deferred to Autumn 2012</p> <p>Partially Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p><b>Objective 3.2</b> <b>To strengthen our accountability by developing and maintaining a transparent and effective governance framework</b></p> <ul style="list-style-type: none"> <li>- PPS Annual Resource Accounts published.</li> <li>- Agreement of annual internal audit programme by the Audit and Risk Committee.</li> <li>- Review of Senior Management commenced.</li> <li>- Review of Management Board effectiveness conducted.</li> <li>- Achievement of agreed objectives as set out in the PPS Information Assurance Maturity Action Plan.</li> <li>- Mandatory requirements of the Security Policy Framework implemented.</li> </ul>	<p>In accordance with agreed DFP timetable</p> <p>30 April 2011</p> <p>31 March 2012</p> <p>31 March 2012</p> <p>31 March 2012</p> <p>31 March 2012</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>

## Strategic Priority 4:

### Building the capability of our people

2011-12 Objective / Milestone	Target Date for Completion	Outcome
<b>Objective 4.1</b> <b>To develop our staff and promote a culture of continuous improvement</b>  - Annual Corporate Training Plan agreed.	31 May 2011	Achieved

# Annex C:

## Performance against Key Delivery Targets 2011-12

Note: Figures in parenthesis indicate 2010-11 performance where applicable.

Strategic Priority	Key Performance Indicators (KPIs)	Target / Outcome
1	<p><b>Legal Quality Assurance</b> Percentage of decisions to prosecute, divert or not to prosecute within the range a reasonable prosecutor would take</p>	<p>Target: 99% Outcome: 99% (99%)</p>
	<p><b>Timeliness</b></p>	
	<p><b>Prosecutorial Decisions*</b></p>	
	<p>Percentage of -</p>	
	<p>(a) Indictable prosecution decisions issued within:</p>	
	<p>100 days</p>	<p>Target: 50% Outcome: 30% (36%)</p>
	<p>210 days</p>	<p>Target: 80% Outcome: 70% (77%)</p>
	<p>(b) Summary prosecution decisions within:</p>	
	<p>20 days</p>	<p>Target: 65% Outcome: 73% (72%)</p>
	<p>75 days</p>	<p>Target: 90% Outcome: 89% (88%)</p>
<p>(c) Diversionary decisions issued within:</p>		
<p>20 days</p>	<p>Target: 65% Outcome: 81% (74%)</p>	
<p>75 days</p>	<p>Target: 90% Outcome: 95% (91%)</p>	
	<p><b>Review of Charges</b></p>	
	<p>Percentage of 28 day charge cases where charge sheets are reviewed within 3 working days of first appearance at court</p>	<p>Target: 95% Outcome: 90%</p>

\* Monitoring covers the period (in calendar days) from the date initial papers (charge cases only) or files are received by the PPS to the date when the prosecutorial decision issues. Time required for response to Decision Information Requests (DIRs) by police is included.



## Performance against Key Delivery Targets 2011-12 (continued)

Note: Figures in parenthesis indicate 2010-11 performance where applicable.

Strategic Priority	Key Performance Indicators (KPIs)	Target / Outcome
1	<p><b>Crown Court Outcomes</b> Number of cases / defendants in the Crown Courts subject to a 'No Bill' (All counts):</p> <p>(a) Cases</p> <p>(b) Defendants</p>	<p>Target: 15 Outcome: 34 (23)</p> <p>Target: 20 Outcome: 43 (33)</p>
2	<p><b>Victims and Witnesses</b> Percentage of Victims and Witnesses satisfied with the overall service provided by the PPS</p> <p><b>Witness Expenses</b> Percentage of claims processed and authorised for payment within 4 working days</p> <p><b>Public Confidence</b> Percentage public confidence in the provision of a fair and impartial prosecution service</p>	<p>Target: 70% Outcome: 69.5% (69%)</p> <p>Target: 95% Outcome: 96% (99%)</p> <p>Target: 68% Outcome: 70% (67.5%)</p>
3	<p><b>Budget 2010</b> Percentage saving on 2010-11 Baseline*</p> <p><b>Better Payments Practice Code</b> Percentage of invoices processed and authorised for payment within 4 working days</p> <p><b>Requests under Freedom of Information</b> Percentage of requests answered within agreed time limits</p>	<p>Target: 0.44% Outcome: Achieved</p> <p>Target: 95% Outcome: 69%</p> <p>Target: 100% Outcome: 94% (100%)</p>

\* Stated in the Annual Business Plan for 2011-12 as a saving of 1%. This was amended to 0.44% to reflect the Service's Revised Savings Delivery Plan, published in April 2012.

## Performance against Key Delivery Targets 2011-12 (continued)

Note: Figures in parenthesis indicate 2010-11 performance where applicable.

Strategic Priority	Key Performance Indicators (KPIs)	Target / Outcome
4	<p><b>Attendance Management *</b> Average days lost due to sickness and absenteeism (per whole time equivalent staff member).</p> <p>Long term absence - frequency rate.</p> <p><b>Staff Satisfaction</b> Percentage of staff who feel that the PPS is a good organisation to work for</p>	<p>Target: Not to exceed 8.4 days Outcome: 9.7 days (8.8)</p> <p>Target: 8.3% Outcome: 9.4%</p> <p>Target: 58% Outcome: 57% (52%)</p>

\* Provisional NICS data for 2011-12 reflecting estimated rates which are based on year to date figures that take account of amendments and/or additions made to absence records.

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This document is available in a range of  
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ISBN Number: 978-0-10-297926-8

Published 4 July 2012



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