

YOUTH JUSTICE AGENCY

ANNUAL REPORT AND ACCOUNTS 2022-23

HC 1618



YOUTH JUSTICE AGENCY

ANNUAL REPORT AND ACCOUNTS 2022-23 For the year ended 31 March 2023

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PERFORMANCE REPORT

OVERVIEW

The purpose of the Overview is to provide sufficient information to ensure that the remit and purpose of the Youth Justice Agency (the Agency or YJA) is understood. The Overview includes:

- a statement from the Chief Executive providing his perspective on the performance of the Agency over the period;
- a statement of the purpose and activities of the Agency;
- the key issues and risks that could affect the Agency in delivering its objectives; and
- a performance summary.

FOREWORD BY CHIEF EXECUTIVE

Our staff continued to make a significant difference to the lives of young people, families, victims and communities again this year. It was fantastic that this good work was rewarded with awards to three of our staff from the Butler Trust. I had the pleasure of being at St James' Palace at the end of March to see Ian Coulter and Andrew Bailie from Youth Justice Services receive commendation awards from Princess Anne, for their work over many years with young people and families. Nicky Russell's work in the Juvenile Justice Centre was also recognised through a certificate of recognition earlier in the year. These awards are a sign of the excellent work that takes place each day across the Agency.

The quality of our work was also recognised by Criminal Justice Inspection Northern Ireland (CJINI) in its report following a major inspection of Woodlands Juvenile Justice Centre published in September 2022. I am grateful to CJINI and the other inspectorates involved for a thorough report and to my team in the Juvenile Justice Centre for producing a robust action plan to address the recommendations.

The Agency continues to demonstrate a high level of performance in achieving our mission to reduce offending by supporting children to achieve their full potential. Our staff consistently demonstrate their commitment to supporting children to improve their lives and turn away from offending, support parents and families and work with children, victims and communities to repair the harm from offending behaviour. I am really grateful to all of our staff for their dedication, commitment and hard work. It is often complex work requiring a high degree of skill and focus, and does not always get the recognition it deserves. The Board and I greatly appreciate our fantastic staff and all they have done this year. They are also greatly appreciated by those we work with and in our regular surveys of children, families and victims the difference staff make always comes through very strongly. This impact is well covered in our second Performance Impact Report covering 2021-22, which we published in September 2022.

FOREWORD BY CHIEF EXECUTIVE (CONTINUED)

This year we started to put a stronger focus on investing in our staff. I led a Task and Finish Group which reported in the autumn, with recommendations on improving learning and development across the Agency. Implementing those recommendations is a work in progress and I am delighted with the positive start we have made. For example, we have been able to provide more access to accredited training programmes this year, such as the postgraduate certificate in systemic practice, and have been able to fund two additional staff to study for a social work degree with The Open University. Some staff have also attended an internationally renowned programme on Compassionate Inquiry which I know has positively influenced the practice of those staff involved. We will look to build further on these successes in learning and development in the year ahead as we focus both on retaining our existing staff and look to becoming an employer of choice for newly qualified social workers and youth and community workers.

This year we also published our first three year Corporate Plan (covering 2022-25) in almost a decade. While planning over three years is difficult, particularly given budget uncertainties, it is important. I am especially proud of the artwork done by young people in the Juvenile Justice Centre, which we were able to showcase in the Corporate Plan. Much of this artwork was recognised in national awards and I am grateful for the work of our education department in the Juvenile Justice Centre, supporting our young people to develop and express their talents. A key part of our Corporate Plan is rolling out the Agency's new Model of Practice. This year we were able to make considerable strides in a number of key areas. Earlier this year we introduced a new YJA Assessment Tool. This streamlines and improves our approach to assessment, shifting the balance from a focus on risk to one more fully centred on need. During our engagement with young people on developing our Corporate Plan, many told us that they wanted to be more involved in assessments and our new tool seeks to act on this feedback. Alongside the new assessment, we also introduced an enhanced case management framework. This has been designed with a trauma informed and developmental perspective to support our work with children facing greater levels of vulnerability and complexity.

We are committed to becoming a trauma informed organisation and one which amplifies the voices of vulnerable children and young people, and uses them to shape and improve our services. Through our dedicated participation officer we have built a network of participation champions across the Agency and are engaging children and young people in improving our services further. For example this year, we consulted a number of young people to translate the Agency's values into youth friendly language and to improve a range of YJA information leaflets. We have also recruited two experts by experience; these are young adults with previous experience of the youth justice system. They are helping us improve some of our services and sharing their experiences with young people currently involved with the Agency. The Board heard first hand from one of our experts by experience at our meeting in November 2022 and we were really impressed with the contribution that he is already making to the Agency's work.

FOREWORD BY CHIEF EXECUTIVE (CONTINUED)

Working in partnership with others, has again been a strong feature of our work this year. We have deepened our previous partnership with Museums NI. Both Agency staff and young people have benefited from access to the facilities at the Ulster Folk and Transport Museum. Some of our young people have been able to undertake reparation work with the conservation volunteers there. We greatly value this partnership with Museums NI and look forward to strengthening it further in the years ahead.

Over the last two years, local foodbanks have been the Agency's charity partner. This has involved Agency staff donating food, gifts and money to foodbanks, and helping out with a range of foodbank activities in local communities. Many of our young people have also undertaken reparation activities at foodbanks as a means of helping repair the harm of their offending behaviour. I know for most, these experiences have been positive and enlightening. I am really pleased that our staff have selected local foodbanks as our charity partner for the next two years.

We greatly value our long-standing partnerships with organisations in the criminal justice sector, notably Police Service of Northern Ireland (PSNI), the Public Prosecution Service (PPS), the Northern Ireland Courts and Tribunals Service and the Probation Board for Northern Ireland, with whom we continue to work productively as part of the youth justice system.

The Agency is a member of the Safeguarding Board for Northern Ireland (SBNI) and the Children and Young People Strategic Partnership. We greatly value these roles, both in terms of what we can contribute and what we learn to continue to improve our practice.

Our growing relationships with Health and Social Care continue to be an important part of our ongoing development. We are co-leaders along with the Department of Health (DoH) in the Regional Care and Justice Campus Programme. Along with DoH colleagues and the South Eastern Health & Social Care Trust, we have been implementing ministerial decisions to harmonise services between Woodlands Juvenile Justice Centre and Lakewood Regional Secure Care Centre, both located in Bangor. Of particular note this year was the establishment of ACORN, a multidisciplinary therapeutic care service, which now operates across both sites. This builds on a successful model that had already operated for some time in Woodlands and ensures effective therapeutic services for children whether in Woodlands or Lakewood.

Finally, we have had some changes at senior management level in the Agency. At the end of March our friend and colleague Paul McStravick retired after 16 years with the Agency. I am grateful to Paul for all his hard work with the Agency, particularly for leading the Juvenile Justice Centre through the recent pandemic. Paul's role as Director of Woodlands Juvenile Justice Centre has now been taken up by Mary Aughey, a highly experienced social worker. Mary's previous role as Director of Youth Justice Services will be filled temporarily, first by Kelvin Doherty and then by Colleen Heaney for the whole of the new business year.

Stephen Martin
Chief Executive and Accounting Officer

STATEMENT OF PURPOSE AND ACTIVITIES

History and statutory background

The Agency was established on 1 April 2003 as an Executive Agency within the Northern Ireland Office following the recommendations of the Criminal Justice Review. On 12 April 2010, justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice (DoJ) came into existence as a new Northern Ireland Department. From that date, the Agency became an Executive Agency of the DoJ.

The Agency sits within the DoJ's Reducing Offending Directorate (ROD).

Aims and objectives

The overall aim of the Agency is to ***make communities safer by helping children to stop offending***. The Agency is part of the wider criminal justice system and contributes, alongside other partners, to achieving the system's overall aims and objectives.

Our statement of purpose

'Making communities safer by helping children to stop offending'.

Our mission statement

To reduce offending by supporting children to achieve their full potential.

Our principles

- utilising our professionalism and expertise;
- acting in the best interests of children and promoting their rights;
- advocacy, ensuring that children have access to universal services;
- children should be diverted at the earliest possible stage;
- we will focus on children's needs as well as addressing their deeds;
- promoting resilience, desistance and reintegration;
- we will work restoratively and involve victims when appropriate;
- we will work in partnership with others; and
- we will focus on positive outcomes.

Our shared values

We will:

- treat children as individuals in their own right;
- focus on strengths and be positive;
- promote safety and consider public protection; and
- listen to everyone and everyone will have a voice.

We are:

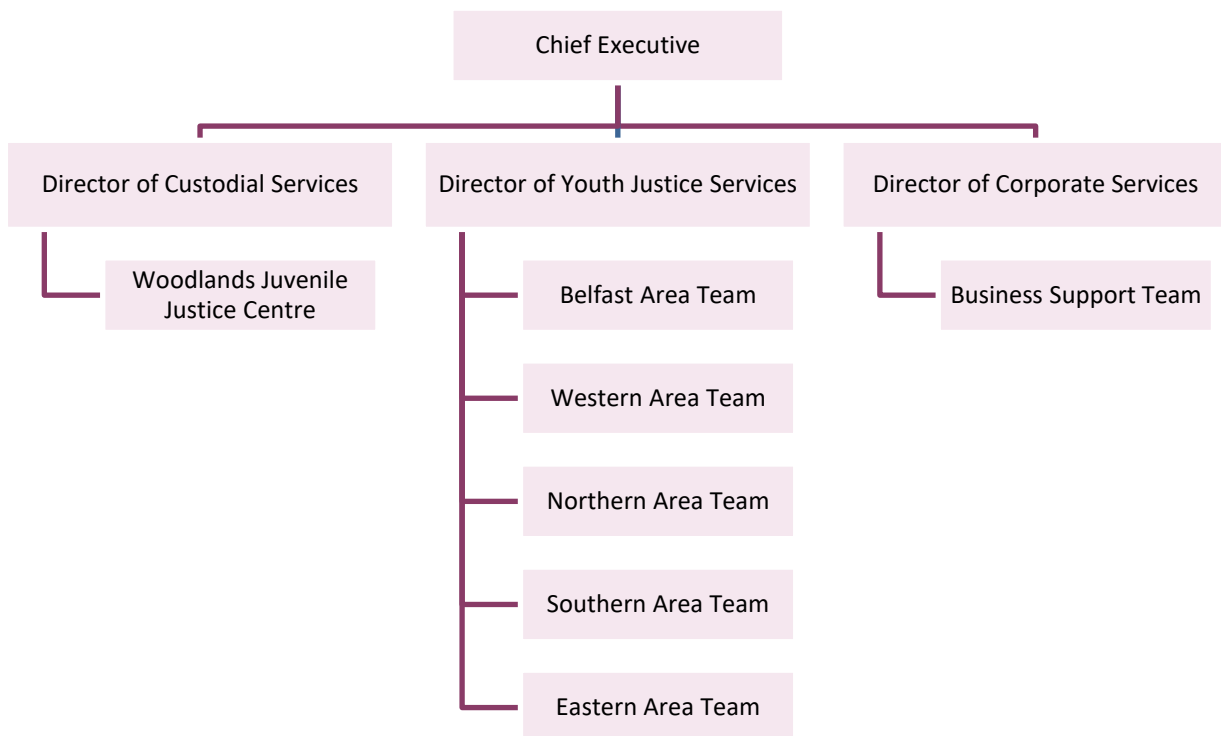
- fair, open and honest;
- kind, compassionate and trauma aware; and
- non-judgemental.

Structure

The Agency provides a range of statute-based and non-statutory support services to young people who offend between the ages of 10 to 17 years, both within the community and within custody. In doing so, it works alongside key justice partners, such as the PPS and PSNI; other statutory bodies, including the Departments of Education (DE), Health (DoH) and Communities (DfC); and voluntary and community-based organisations. The emphasis is on helping children to address their offending behaviour, diverting them from crime, assisting their integration into the community and also meeting the needs of the victims of crime, with restorative and reparative justice at its core.

The Youth Justice Agency is within the statutory remit of CJINI and can be subject to independent inspection or review as a single organisation or as part of a thematic inspection. CJINI inspect Woodlands Juvenile Justice Centre in partnership with the Regulation and Quality Improvement Authority (RQIA) and the Education and Training Inspectorate (ETI) against Expectations for Children in Custody, incorporating the Inspection and Self Evaluation Framework for Education Other Than At School provision, and Quality Standards for Health and Social Care. Services may also be subject to review by the Northern Ireland Commissioner for Children and Young People and by the Northern Ireland Human Rights Commission.

The Agency comprises three Directorates and its management structure is as follows:



Structure (continued)

Youth Justice Services

Community-based services are delivered by our Youth Justice Services (YJS) Directorate staff, overseen by the Director of Youth Justice Services. It comprises both administrative and front-line operational staff currently based in five Area Teams strategically located across Northern Ireland. The focus of our interventions is to ensure children are exited from the youth justice system at the earliest point with appropriate support and to deliver improved outcomes for young people, families, victims and communities. Our aim is to reduce offending and reoffending, to improve a young person's life chances and to work in and with communities in order to achieve this.

Each Area Team is responsible for the delivery of a wide range of front-line services, often jointly with or on behalf of other partner agencies. These include:

- working with young people who are on the cusp of the formal youth justice system in order to intervene at the earliest opportunity (Earlier Stage Diversion);
- hosting and delivering Youth Engagement Clinics;
- facilitating and delivering Youth Conferences - both Court ordered and diversionary, ensuring that, where appropriate, victims have an input as to the way forward;
- delivering a range of earlier stage and diversionary initiatives;
- supervising and supporting young people, using a Children First model, across the continuum of Earlier Stage Diversion through to working with the most complex children at risk of custody or on leaving custody;
- service provision and attendance at all Youth Court sittings across Northern Ireland, including Magistrates', Crown and High Courts as required; and
- delivering programmes and interventions to young people and their parents/carers to prevent reoffending.

Structure (continued)***Custodial Services***

Custodial Services staff are based in Woodlands Juvenile Justice Centre (JJC), located in Bangor. It is the only custodial facility for children in Northern Ireland. It is overseen by the Director of Custodial Services supported by a team of social workers, care workers, nurses, teachers, vocational instructors, support staff and administrative staff. JJC provides a safe, secure and stimulating environment for 10 to 17 year old boys and girls who have been remanded or sentenced to custody by the Courts in Northern Ireland. The Centre also accommodates young people under Police and Criminal Evidence (PACE) legislation. It can accommodate a maximum of 48 young people; however, it is staffed and resourced to operate at an optimum level of 36 young people.

The JJC has been designed as a centre of excellence within a secure environment, offering and providing a wide range of services and support, tailored to each young person's specific needs to support their reintegration to the community upon release and help prevent them reoffending.

A Case Management process integrates social care, education, healthcare and mental health interventions with tailored group-work and individual programmes to improve outcomes for young people. Families and carers are involved at all points in this process both within the JJC and the wider Agency, providing a range of support services.

The JJC actively works with partner organisations to support young people while in custody and on release through effective information sharing, collaborative working and involvement in decision making.

Corporate Services

The Business Support Team is based in the Agency's Headquarters and delivers an amalgam of core administrative and executive business services on behalf of the Chief Executive. The services provided include corporate governance, Ministerial/Assembly business, communications, business performance, records management, information technology and estates management.

Other functions, such as financial management and research and statistics, are provided by DoJ on a shared services basis. Personnel services are provided by Northern Ireland Civil Service Human Resources (NICSHR).

Internal Audit services to the DoJ are provided by a Group Internal Audit and Fraud Investigation Service. Internal Audit staff from the Department of Finance (DoF) deliver the internal audit service to the Core Department, its agencies and a number of arm's length bodies.

Key risks and issues

The Agency's Risk Register is regularly reviewed and links with the Department's Corporate Risk Register. This has resulted in a uniform approach across the Department in how we present and manage risk.

The key risks identified in 2022-23 included:

- failure to provide a safe environment for young people leading to an adverse incident;
- long term restrictions imposed due to the Covid-19 pandemic, limiting the operational delivery, commitments and business as usual needs of YJA; and
- failure to deliver an effective repurposing programme and clear benefits to time, cost and quality.

The key issues faced during 2022-23 included:

- responding to the Covid-19 pandemic;
- delivering the required level of service; and
- implementing the recommendations of the Review of Residential Secure Care report.

Further details in relation to the risks faced by the Agency and how these are mitigated are provided in the Performance Analysis section. The Governance Statement also provides an overview of the Agency's risk management and internal control system.

Equality of delivery of services to different groups in society

Section 75 of the Northern Ireland Act 1998 placed statutory duties on all public authorities, including the Youth Justice Agency, that, in carrying out our functions, we are to promote equality of opportunity and good relations and to make equality central to public policy decision-making.

In fulfilling these obligations, the Agency promotes equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

In addition, we aim to promote good relations between persons of different religious belief, political opinion or racial group.

Section 75 duties are integrated throughout all of our functions whereby any new initiatives, proposals, schemes or programmes are considered within the context of these duties. This complements the outcomes based accountability approach allowing the Agency to focus on improving outcomes for our users and staff.

In October 2022 the Agency published research on potential over-representation in the youth justice system in Northern Ireland. The research was commissioned and funded by the DoJ and undertaken by Queen's University Belfast (QUB). The researchers concluded that males and older children are over-represented in the youth justice system. Given gaps in population and system specific data, they also indicated that it was not possible to conclude whether there is over-representation of other children. The research report also importantly recognised the need for action to address the deprivation-linked vulnerabilities that lead to offending behaviour in children. This will require a policy response across a number of Departments as well as by Justice Agencies.

The main mechanism through which Justice will respond to the issues raised in the QUB research is the [Strategic Framework for Youth Justice 2022-27](#) published in March 2022. The YJA has also included an action in our [Corporate-Plan 2022-25](#) to enhance our existing data collection to help improve understanding of the factors contributing to over-representation of certain groups in the youth justice system.

In November 2022, the YJA Management Board approved the YJA Equality Action Plan. The plan mirrors that of the Corporate Plan and covers the period 2022 to 2025. It sets out how the Agency intends to meet its obligations under Section 75 of the Northern Ireland Act 1998. The Agency's Equality Action Plan contributes to the commitments set out in the DoJ Equality Scheme. A number of actions in the Agency's plan will also be included in the DoJ Equality Action Plan.

Equality of delivery of services to different groups in society (continued)

The YJA Equality Action Plan focuses on four key areas:

- Strategy and policy;
- Operational practice;
- Data; and
- Leadership and governance.

PERFORMANCE SUMMARY AND FORWARD LOOK

Performance summary

The DoJ produced its own Departmental Business Plan for 2022-23 which underpins its Mission Statement of ‘Working in partnership to create a fair, just and safe community where we respect the law and each other’. It sets out four strategic themes as follows:

- Support safe and resilient communities;
- Address harm and vulnerability;
- Challenge offending behaviours and support rehabilitation; and
- Deliver an effective justice system.

The work of the Youth Justice Agency contributes right across these themes but more specifically as outlined below:

<p>DoJ Priority: Challenge offending behaviours and support rehabilitation</p> <p>Objective: To put in place arrangements for the care of children in a safe, secure, therapeutic, child-centred environment supported by a youth justice policy and legislative framework with a coherent approach to early intervention</p>		
Action	Progress during 2022-23	Year-end status
<p>a) Continue to develop a strategic approach to Earlier Stage Diversion (ESD) by working with partners to create additional alternatives to children entering into the formal justice system.</p>	<p>A new Earlier Stage Diversion scheme (which will supplement existing schemes) has been designed. PSNI and YJA have agreed to move to pilot. There has been some delay in proceeding due to work within PPS to agree and implement significant changes to their IT and data management systems to support the pilot.</p> <p>These will not now be agreed and delivered within the current business year and we are awaiting confirmation of a new delivery date. Similar changes will be needed within PSNI and these are being planned and costed, and we are awaiting confirmation of implementation dates.</p> <p>Discussions are also ongoing with PSNI to explore options to extend the offence criteria of the Community Resolution Notices (CRN) Referral Scheme.</p>	<p>Partially achieved</p>

Performance summary (continued)

<p>DoJ Priority: Challenge offending behaviours and support rehabilitation</p> <p>Objective: To put in place arrangements for the care of children in a safe, secure, therapeutic, child-centred environment supported by a youth justice policy and legislative framework with a coherent approach to early intervention</p>		
Action	Progress during 2022-23	Year-end status
<p>b) Work with the DoH and Department of Education to develop and implement a Regional Care and Justice Campus Programme to better support the needs of vulnerable children including those in the justice system.</p>	<p>Work to harmonise a range of services between Woodlands Juvenile Justice Centre and Lakewood Secure Care Centre continues apace.</p> <p>A new ACORN multi-disciplinary health and therapeutic care service is operational across both sites and plans are at an advanced stage to share leisure facilities, pilot sharing vocational training provision and to progress the introduction of the NI Framework for Integrated Therapeutic Care across the two facilities.</p> <p>A Gate 0 review of the programme was completed in November 2022 and concluded with an amber delivery confidence assessment, which means the programme should continue while addressing issues identified during the review.</p>	<p>Achieved</p>

Within this context, the Agency has established five key themes, each with an associated strategic outcome, for delivery of its business activities:

Theme	Strategic Outcome
1. Earlier Stage Diversion	Children are exited from the youth justice system at the earliest point, with appropriate support.
2. Community-based Interventions	Positive outcomes for children, families, victims, and communities affected by offending.
3. Custodial Interventions	Improved outcomes for children through the delivery of a safe, secure, therapeutic, child-centred environment.
4. Resource Management	YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused.
5. Resource Management	YJA resources are used effectively, complying with corporate and financial governance.

Performance summary (continued)

The Agency has continued to develop and refine its internal performance management and reporting systems based upon the principles of OBA and linked to the PfG outcomes. Performance against pre-determined strategic outcomes is reported to the Agency's Management Board on a quarterly basis by way of a Business Report Card. This is set out in greater detail in the Performance Analysis section.

This analysis is underpinned by the continuous development and refinement of the Agency's data collection and analysis processes. The Agency produces an annual statistical bulletin each autumn showing the previous full financial year's data. Early extraction of data for the 2022-23 year reveals:

- over the five-year period through to 2020-21, the number of children entering the formal justice system has reduced by 53.7% (based upon the most recent published figures for entrants to the justice system which relate to the 2020-21 cohort);
- the proportion of Earlier Stage Diversion referrals accounts for 16.9% (230) of all referrals in 2022-23 (2021-22: 21.0%);
- the proportion of statutory referrals has decreased from 80.5% (1,378) in 2018-19 to 77.3% (1,053) in 2022-23;
- 82.0% of individual victims participated in the youth conferencing process (2021-22: 80.2%); and
- all sentenced young people leaving custody in 2022-23 had a reintegration plan in place before leaving (2021-22: 100%).

The Agency has met all its departmental goals, strategic objectives and priority outcomes for 2022-23 and continues to meet ongoing challenges through the development of innovative practice and greater agility in how we deliver our services to the young people under our care - whether that be within the community or within custody - in a way that fully respects the well-being of our staff and young people.

Forward look

2023 is a special year for the Youth Justice Agency. We are celebrating our twentieth birthday and we will mark the year with number of events including open days in June across most of our office network. We plan to round off the year with a staff celebration event in December. I am looking forward to celebrating with colleagues everything that they have achieved for and with young people, families, victims and communities.

This year is also one of uncertainty. For 2023-24, the Agency has been allocated a budget that is 4.75% lower than the 2022-23 baseline. This will provide us with some very significant challenges. We have done a lot in recent years to reduce costs and become more efficient, and the scope to do more in this area is limited without impacting on the extent and quality of our services. However, we will continue to strive to do all we can to deliver for all of those who need our services.

I am continually impressed by the quality and commitment of our staff. In the year ahead we will continue to put a strong focus on retaining our dedicated staff team. We are working hard to improve learning and development further, we continue to offer a good work-life balance and we will be seeking to influence where we can NICS HR Policy in key areas, such as remuneration. We are also putting a renewed emphasis on attracting new staff, particularly newly qualified social workers and youth and community workers. We continue to take a number of final year students on work placements and are seeking to attract as many of them as possible to consider YJA as the first step in their lifetime professional journey.

This year, CJINI will be inspecting services within the Youth Justice Services Directorate. We welcome this scrutiny and look forward to seeing CJINI's final report later in the year.

We are also commissioning an external evaluation of our Children's Diversion Forums (CDFs). CDFs are a key part of the Agency's earlier stage diversion services, which have contributed significantly in recent years to reducing the number of young people entering the formal justice system and in reducing reoffending. We look forward to receiving the CDF evaluation report later in the year. In the meantime, we are continuing to work with partners in the Youth Justice System to refine and extend our approaches to earlier stage diversion. We are also planning to continue positive work with colleagues from the PPS and PSNI to reduce unnecessary delay in Youth Engagement Clinics.

June 2023 saw the launch of a report by Professor Ray Jones on Children's Social Services in Northern Ireland. A number of colleagues and I had the opportunity to meet Professor Jones several times during his review and were heartened by the positive comments he made about our model of practice and services.

We also look forward to continuing our partnership with the Department of Health and South Eastern Health & Social Care Trust in the delivery of ministerial decisions within the Regional Care and Justice Campus Programme.

Stephen Martin
Chief Executive and Accounting Officer

PERFORMANCE ANALYSIS

The performance of the Agency against its pre-determined strategic outcomes is detailed below.

<p>Theme: Earlier Stage Diversion (ESD)</p> <p>Outcome 1: Children are exited from the youth justice system at the earliest point, with appropriate support</p>		
Strategic Outcome	Comment	Year-end status
a) Apply the YJA/ESD needs based assessment tool to the children referred to YJS for ESD services.	A full review of the YJA Needs Assessment tool has commenced and this work will be completed in the 2023-24 business year.	Achieved
b) Develop (in partnership with PPS and PSNI) an additional Earlier Stage Diversion disposal.	<p>A new Earlier Stage Diversion scheme (which will supplement existing schemes) has been designed. PSNI and YJA have agreed to move to pilot. There has been some delay in proceeding due to work within PPS to agree and implement significant changes to their IT and data management systems to support the pilot. These will not now be agreed and delivered within the current business year and we are awaiting confirmation of a new delivery date. Similar changes will be needed within PSNI and these are being planned and costed, and we are awaiting confirmation of implementation dates.</p> <p>Discussions are also ongoing with PSNI to explore options to extend the offence criteria of the Community Resolution Notices (CRN) Referral Scheme.</p>	Partially achieved
c) Commission an evaluation of Children’s Diversion Forums now that the rollout is complete.	A specification and invitation to tender has been developed to commission an evaluation of the YJA led multi-agency Children Diversion Forum, the e-procurement processes will be undertaken in the new business year.	Achieved
d) Utilize ringfenced ESD Strand 1 funding to assist with education, training and employment (ETE), play, sport & leisure and other activities in order to improve outcomes and opportunities to Be Connected.	Local area teams have continued to support children to link with local community based resources and to develop their education, ETE, interests and hobbies, with funding being used to support a range of activities across the reporting year	Achieved

<p>Theme: Earlier Stage Diversion (ESD)</p> <p>Outcome 1: Children are exited from the youth justice system at the earliest point, with appropriate support</p>		
Strategic Outcome	Comment	Year-end status
<p>e) Utilize ringfenced ESD Strand 2 funding for local community groups in order that they can deliver activities/programmes for children to promote community integration and to help them Be Connected.</p>	<p>Funding support was provided to a number of community organisations to support the delivery of a range of activities/programmes for children to promote community integration.</p>	<p>Achieved</p>

<p>Theme: Community-based Interventions</p> <p>Outcome 2: Positive outcomes for children, families, victims, and communities affected by offending</p>		
Strategic Outcome	Comment	Year-end status
a) Apply the YJA needs based assessment tool to children who come through the formal justice system route.	A full review of the YJA Needs Assessment tool has commenced and will be completed in the 2023-24 business year. A review of outcomes and processes has commenced.	Achieved
b) Assess and address substance misuse issues and advocate that appropriate help and intervention is made available.	YJA continued to advocate for help and intervention to address substance misuse issues through their representation on the Strategic Planning and Performance Group (SPPG) sub-group on the Substance Use Strategy specifically relating to children, and at a Planning Workshop addressing the Strategic Themes and Commissioning Priorities of the Strategy.	Achieved
c) Advocate for children to ensure their ETE status improves during their time with us.	YJA continued to liaise with partners to advocate for children to who required ETE support. This partnership approach resulted in 95.0% of children who required support receiving it.	Achieved
d) Assess and address health and well-being issues, and build on the positive outcomes achieved by the Child and Adolescent Mental Health Services (CAMHS) co-located mental health worker initiative.	The CAMHS Mental Health Co-located Worker pilot, which operates in the Southern and Western areas, continues to deliver direct services to children and to link them to other CAMHS services, resulted in better outcomes for children, and improved the standards of mental health services and support provided by YJA.	Achieved
e) Facilitate Parent Support services across the five area teams.	Local area teams have continued to develop support for parents and carers in response to needs identified by them. This has included delivery of information sessions on topics such as managing challenging behaviour, emotional regulation and sexting.	Achieved
f) Maximise Direct Victim Attendance at Youth Conferences.	In 2022-23, 82.0% of direct victims participated in the conference process, which provided them an opportunity to articulate the impact which crime had on them.	Achieved

<p>Theme: Community-based Interventions</p> <p>Outcome 2: Positive outcomes for children, families, victims, and communities affected by offending</p>		
Strategic Outcome	Comment	Year-end status
<p>g) Deliver a Schools Programme across five area teams.</p>	<p>The Schools programme continued throughout the business year in 56 schools, delivering sessions to more than 13,258 pupils on topics such as online safety and drugs and alcohol.</p>	<p>Achieved</p>
<p>h) Identify children who require higher levels of support and supervision and deliver Enhanced Case Management (intensive wrap around services) in order to reduce risk and meet need.</p>	<p>Appropriate cases have been identified following a data development exercise and a workshop session. An initial review process has started and will continue to be progressed in the 2023-24 business year.</p>	<p>Achieved</p>
<p>i) Promote the participation of children, families and victims in relevant development and delivery of policy and practice.</p>	<p>Through our dedicated Participation Officer, we have built a network of participation champions across the Agency to engage children and young people in developing our services. This work has included recruitment of two Experts by Experience, two previously youth justice experienced young adults to help inform areas of work within the Agency. Consulting with young people to improve our YJA information leaflets, and developing our work for the YJA Needs Assessment, safeguarding and the restorative justice conferencing process.</p>	<p>Achieved</p>
<p>j) Review YJA/YJS safeguarding policies/procedures to ensure compliance with SBNI requirements</p>	<p>Safeguard training was delivered to all relevant grades across the Agency during April and May 2022.</p>	<p>Achieved</p>

<p>Theme: Custodial-based Interventions</p> <p>Outcome 3: Improved outcomes for children through the delivery of a safe, secure, therapeutic, child-centred environment</p>		
Strategic Outcome	Comment	Year-end status
<p>a) Develop an action plan to enable the implementation of recommendations from the CJINI Announced Inspection of Woodlands Juvenile Justice Centre (January 2022) Report.</p>	<p>Work continues to implement the recommendations within the CJINI Report. Woodlands with the senior team reviewing and monitoring progress to improve governance and increased assurances around service provision to young people.</p>	<p>Achieved</p>
<p>b) Further develop the integrated care planning process to address the needs of children and young people in Woodlands.</p>	<p>A review of the Multi-disciplinary Integrated Care Plan process has been undertaken, outcomes from this process included development of additional guidance and training for staff, and the establishment of a Multi-disciplinary Forum, which convenes on a daily basis to review and monitor the care and management of all children and their integrated care plans.</p> <p>Ongoing monitoring and audits of case management system are in place to give assurance that multi-disciplinary integrated care plan approach is being embedded into practice.</p>	<p>Achieved</p>
<p>c) Continue to work with Education Authority and Vocational provider to ensure delivery of Learning and Development plan to all children and young people in Woodlands.</p>	<p>Effective partnership working with Education Authority embedded in Woodlands operational practice to ensure ongoing provision of education and vocational training to all young people. A reporting process is in place to track performance delivery, progress and outcomes for young people.</p> <p>A Project Board has been establishment to consider the feasibility of the development of a Shared Vocational Services Pilot across both Woodlands and Lakewood.</p>	<p>Achieved</p>

<p>Theme: Custodial-based Interventions</p> <p>Outcome 3: Improved outcomes for children through the delivery of a safe, secure, therapeutic, child-centred environment</p>		
Strategic Outcome	Comment	Year-end status
<p>d) Work in partnership with key stakeholders to ensure admissions, discharges and transitions to adult services are managed in a safe and appropriate manner in the best interests of each child.</p>	<p>Stakeholder involvement continues to be promoted throughout a child’s placement with a multi-disciplinary approach taken to planning for and managing their discharge from Woodlands and where necessary transitioning to adult services. An updated transition protocol is in place with Hydebank. Reintegration plans are completed for all young people discharged from Woodlands.</p>	<p>Achieved</p>
<p>e) Support the delivery of the Regional Care and Justice Campus programme, including developing and effecting plans to harmonise services (education, health and therapeutic care and relevant staff training) with the Lakewood Secure Care Centre</p>	<p>Work to harmonise a range of services between Woodlands Juvenile Justice Centre and Lakewood Secure Care Centre continues apace. A new ACORN multi-disciplinary health and therapeutic care service is operational across both sites and plans are at an advanced stage to share leisure facilities, pilot sharing vocational training provision and to progress the introduction of the NI Framework for Integrated Therapeutic Care across the two facilities. A Gate 0 review of the programme was completed in November and concluded with an amber delivery confidence assessment, which means the programme should continue while addressing issues identified during the review.</p>	<p>Achieved</p>
<p>f) Work with Health to reduce unnecessary PACE and remand admissions to Woodlands Juvenile Justice Centre.</p>	<p>A PACE and Bail sub-group has been established, which includes Woodlands Senior Managers. The Team’s purpose is to gather evidence and analysis to inform the development of proposals aimed at minimising unnecessary admissions to the Woodlands JJC, and explore alternatives to the use of the JJC as a place of safety. A number of proposals on the way forward are currently under consideration.</p>	<p>Achieved</p>

<p>Theme: Resource Management</p> <p>Outcome 4: YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused</p>		
Strategic Outcome	Comment	Year-end status
a) Ensure workforce planning to meet current and emerging business and operational requirements across YJA.	Regular staff reviews have been undertaken throughout the year to ensure adequate staff levels are in place based on workload and specialisms. Work is being progressed to launch a new recruitment competition for Youth Justice Practitioners (YJP).	Achieved
b) Develop a plan to improve the impact of YJA's investment in learning and development.	The Chief Executive led a Task and Finish Group on Learning and Development involving staff from all Directorates. This concluded its work in July 2022 and made eight recommendations, all of which were adopted. An action plan has been developed to deliver on all eight recommendations and good progress was made throughout the year. A single annual Learning and Development for the Agency is being developed for 2023-24.	Achieved
c) Train staff in equality and diversity issues.	A three-year YJA Equality Action Plan has been developed round four key areas of strategy and policy, operational practice, data, and leadership and governance to meet the Agency's obligations under Section 75 of the Northern Ireland Act 1998.	Achieved
d) Maintain innovative practice developed during Covid-19 in implementing the 'New Ways of Working' arrangements.	The Agency has been able to "hold the gains" achieved in having to adapt to the challenges of delivering front-line services during the Coronavirus pandemic. We found new and innovative ways of delivering our business. We upgraded IT to "work smarter" and the fact that our staff have been working in a hybrid way since March 2020 (in our offices in the main at least 3 days a week) meant that the transition to New Ways of Working was a seamless one.	Achieved

<p>Theme: Resource Management</p> <p>Outcome 4: YJA has a multi-skilled, flexible and diverse workforce which is well-led, highly performing and outcomes focused</p>		
Strategic Outcome	Comment	Year-end status
<p>e) Maintain effective systems of internal communication, staff engagement and well-being support within YJA.</p>	<p>Regular Chief Executive Notices, staff bulletins, 'Team Briefings' and intranet articles have been issued to ensure staff have been kept informed of developments across the Agency. Local monthly team meetings and Valuing Our People meetings with the YJA Management Board have provided staff with further scope for sharing of information and discussion on matters affecting their working lives.</p> <p>New resource developed to support staff following the death of a young person.</p>	<p>Achieved</p>

<p>Theme: Resource Management</p> <p>Outcome 5: YJA resources are used effectively, complying with corporate and financial governance</p>		
Strategic Outcome	Comment	Year-end status
<p>a) Seek ways to reduce unit costs while maintaining the quality of service.</p>	<p>The YJA Executive Team, Senior Management and Budget Holders held regular meetings to consider the impact of potential cuts and future pressures, including rising cost of living prices and utility costs; and discuss actions that may have to be taken to mitigate these pressures, assuming that demand remains the same.</p>	<p>Achieved</p>
<p>b) Effectively implement all agreed inspection recommendations.</p>	<p>Significant progress has been made against recommendations.</p>	<p>Achieved</p>
<p>c) Provide information within statutory time limits in relation to pre-YJA historic case files in support of the Historical Institutional Abuse Redress Scheme.</p>	<p>The Agency continues to work closely with our partners to provide timely information to the Redress Board to assist their assessment of compensation claims. Between April 2022 and March 2023, we received 603 applications for information.</p>	<p>Achieved</p>
<p>d) Maintain and develop the management information system (MIS) database to provide enhanced statistical and management information.</p>	<p>The Database Working Group and the Case Management Review Working Group are continuing to meet up on a regular basis to identify new requirements and work as a group to find solutions within the current database to meet these requirements. Significant changes were made to the YJS referrals database following recommendations from the Database Working Group, with plans for these changes to roll out to users early in the new financial year.</p> <p>More JJC validations have been implemented and have been taken forward by the JJC admin team to help clean the data for more accurate statistical and management information use. The data development agenda is continually being reviewed and updated to reflect progress and additional requirements as necessary.</p>	<p>Achieved</p>

<p>Theme: Resource Management</p> <p>Outcome 5: YJA resources are used effectively, complying with corporate and financial governance</p>		
Strategic Outcome	Comment	Year-end status
<p>e) Further develop YJA data to help improve understanding of the factors contributing to over-representation of certain groups in the youth justice system and encourage other justice agencies to do likewise.</p>	<p>To develop YJA data to help understand the factors contributing to over representation, the Agency’s referrals database was amended to facilitate the collection of Section 75 information for all referrals by type. Collection of this information is also an ongoing agenda item for discussion at the Database Working Group.</p>	<p>Achieved</p>

Risk management

The Agency's Management Board considers the YJA Risk Register at each of its meetings and risk management has continued to focus on:

- active management of risk within the Agency, including taking into account findings from recent audits of existing procedures and to ensure that risk management procedures reflect best practice guidelines;
- ensuring that risk management is understood and embedded as a management tool across the Agency; and
- ensuring that risk management processes are sufficiently joined-up and are being appropriately applied.

During the course of 2022-23 the Agency faced a number of key issues that could have had significant impact on the Agency's ability to achieve its corporate objectives.

Responding to the Covid-19 pandemic

The Agency has in place an action plan to steer a course through to business recovery, which is contained in the Youth Justice Agency: Covid-19 Business Recovery Framework June 2020. The plan has provided the Agency's response to the pandemic. The Agency has updated its original risk assessment and guidance to staff during the year to reflect best practice advice and ensure adherence to ongoing restrictions. The Agency provides an essential service and has continued to deliver key services during the period of the pandemic.

Delivering the required level of service

The Agency did not experience unacceptable levels of staff absence leading to capacity or capability issues. The Agency did have staff testing positive for the coronavirus, and others shielding or self-isolating at times during the year. However, the application of contingency planning arrangements and the ongoing application of NICSHR management attendance policies, together with local management arrangements ensured that this risk was effectively managed and that key essential services were delivered.

Implementing the recommendations of the Review of Residential Secure Care Report

In March 2022, the Justice and Health Ministers made decisions on the way forward on the Regional Facilities Programme for Children and Young People. Following a public consultation, the two Ministers have decided that the Lakewood Secure Care Centre (run by the South Eastern HSC Trust) and the Woodlands Juvenile Justice Centre (run by YJA) will continue to operate independently but will co-operate more fully on the provision of harmonised shared services. In the year ahead, we will continue to work with Health colleagues on delivering this decision and the wider vision of improving the co-ordination and integration of community-based services that support vulnerable young people leaving the two centres and helping prevent the need for children to enter the centres in the first place.

Financial Review

Net expenditure per Accounts

The net expenditure of the Agency for 2022-23 is compared to the previous two financial years in the table below:

	2022-23	2021-22	2020-21
	£000	*Restated £000	*Restated £000
Total operating income	(120)	(109)	(112)
Staff costs	10,652	10,935	11,421
Purchase of goods and services	3,546	3,706	3,341
Depreciation and impairment charges	1,137	755	683
Provision expense	(41)	(251)	(60)
Total operating expenditure	15,294	15,145	15,385
Net operating expenditure	15,174	15,036	15,273
Finance expense	(41)	14	13
Net expenditure for the year	15,133	15,050	15,286
Audit notional costs	19	19	18
Other notional costs	609	687	612
Total notional costs	628	706	630
Net expenditure for the year after notionals	15,761	15,756	15,916

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.24 for further details.

Budget Outturn for 2022-23

The Agency's 2022-23 non-ringfenced (cash) resource outturn was £14.103m, £1.303m (8.5%) less than the current approved annual budget. There were no Monitoring Rounds during 2022-23 to surrender in-year easements. This is mainly due to movements in staff costs, lowering utility prices throughout the year, the reduction in the employee benefit accrual and the unpredictability of compensation payments. The Agency's 2022-23 capital spend was £0.568m, £0.011m less than the approved budget and relates to the delay of capital works at Woodlands Juvenile Justice Centre, which were not completed before year-end.

Financial position

The total net assets of the Agency at 31 March 2023 were £19.387m (2021-22: £18.010m).

Financial Review (continued)

Non-current assets

Non-Current Asset expenditure movements are detailed in Notes 5 and 6 to the financial statements. Capital expenditure in 2022-23 totalled £0.931m (2021-22: £0.170m).

Cash flow

As detailed in the Statement of Cash Flows, the Agency's Net Assembly draw down in 2022-23 was £14.466m (2021-22: £14.902m) and the net decrease in cash and cash equivalents in the year was £0.084m (2021-22: decrease £0.051m).

Financial risk

The Agency relies primarily on the Department of Justice for funding and the risk to this funding is low.

The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

Cost of custody

The annual cost of custody per young person in Northern Ireland was as follows:

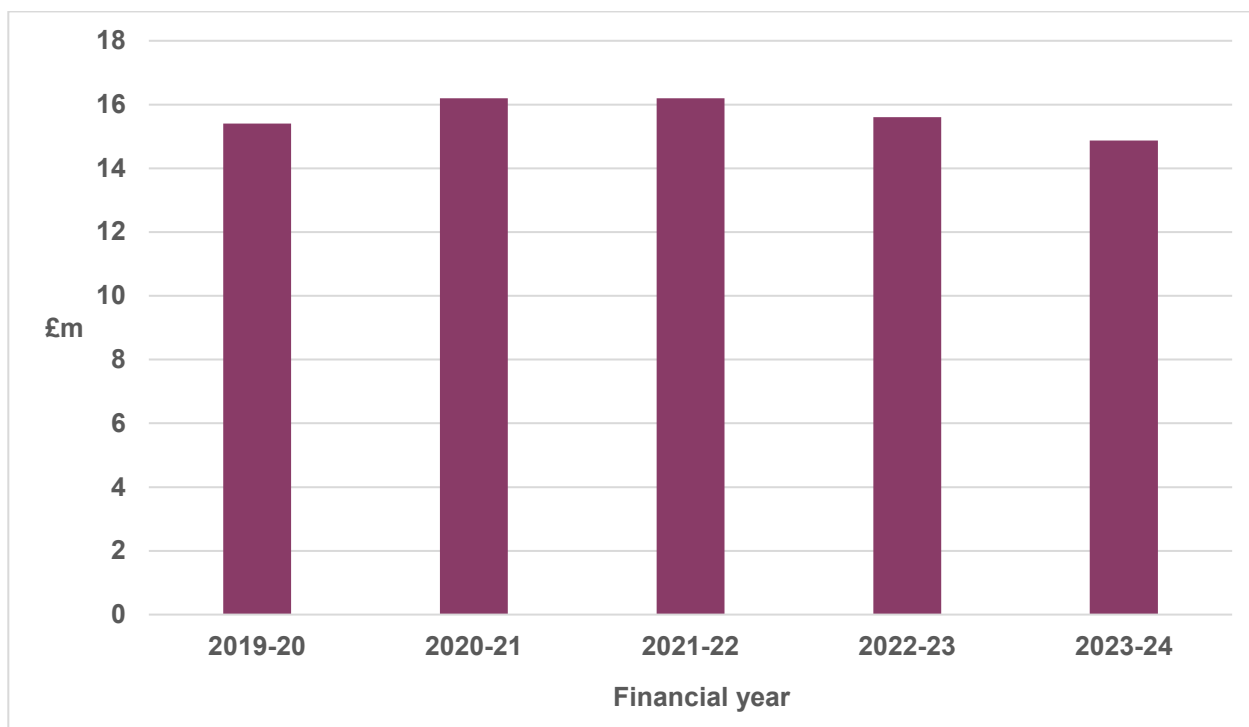
- £185,660 (2021-22: 189,635) based on dividing Operating Expenditure (excluding non-standard costs) by the maximum number of available places; or
- £371,320 (2021-22: £252,846) based on dividing Operating Expenditure (excluding non-standard costs) by the number of places the Centre is resourced to accommodate based on current staffing levels and resources available for service delivery.

Operating expenditure relates to the resource expenditure outturn with non-standard cost items removed. These relate to the costs in respect of Youth Justice Services, an apportionment of corporate overheads, the costs associated with the joint project with the Department of Health regarding the proposed repurposing of Woodlands Juvenile Justice Centre, movements in provisions (excluding legal provisions) and impairments arising from the revaluation of fixed assets. The movement in the cost of custody reflects the effective and efficient utilisation of resources. In particular, as the number of young people in custody in Woodlands has reduced in recent years, management have replaced a 36 place-staffing model with one based on 24 places.

Long-term expenditure trends

The chart below shows the movement in the Agency's opening baseline for non-ringfenced Resource Departmental Expenditure Limit (DEL) over the period 2019-20 to 2023-24. This budget pays for programme delivery and running costs excluding non-cash charges for depreciation and impairment of assets.

Chart 1: YJA Non-Ringfenced Resource DEL opening baselines



2022-23 financial year

In the absence of an Executive the Northern Ireland Office agreed the individual departmental allocations and an overall Budget for 2022-23. The Secretary of State announced the NI Budget in a Written Ministerial Statement on 24 November 2022 providing the Department with a budget of £1,184.2m*.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- a flat cash allocation (2021-22 opening baseline) of £1,086.4m;
- additional allocation of £58.1m;
- additional security funding for the PSNI of £31.2m;
- NI Protocol funding of £2.3m;
- funding for the Tackling Paramilitarism Programme of £8.9m;
- funding from the NI Consolidated Fund of £1.5m; and
- reduced allocation of £4.4m relating to IFRS 16 and other technical adjustments.

**Totals may not add due to roundings*

The opening baseline for 2022-23 provided an allocation of £15.6m for YJA, which reflected a 3.65% decrease against the 2021-22 opening baseline position.

Long-term expenditure trends (continued)

2023-24 financial year

On 27 April 2023, in a Written Ministerial Statement, the Secretary of State for Northern Ireland set out a final budget for 2023-24. The Written Ministerial Statement provided a non-ringfenced resource budget for the Department of £1,156.7m*.

The Department of Justice's non-ringfenced Resource DEL Budget was as follows:

- an adjusted opening baseline budget of £1,140.1m;
- funding from the NI Consolidated Fund of £1.5m (from 2022-23);
- budget cut for 2023-24 of £19.4m (c. 1.7%);
- additional security funding for the PSNI of £31.2m; and
- NI Protocol funding of £3.2m.

**Totals may not add due to roundings*

The opening budget for 2023-24 provides an allocation of £14.9m for YJA, which reflects a 4.75% decrease against the 2022-23 adjusted budget position.

Audit

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is head of the Northern Ireland Audit Office (NIAO) and reports her findings to the Assembly. The C&AG and her staff are wholly independent of the Agency.

The notional audit fee for the work performed by the staff of the Comptroller and Auditor General during the reporting period was £19,000 (2021-22: £18,700). In addition, £1,319 was hard charged by NIAO to the Agency for audit work undertaken in respect of the National Fraud Initiative.

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money (VFM) reports. No such work was undertaken during 2022-23.

Payment of suppliers

The Agency's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. During the financial year, the Agency achieved an average of 90.5% (2021-22: 90.3%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. The Agency achieved an average 95.5% (2021-22: 95.1%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

Anti-corruption and anti-bribery

The Agency is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within the Agency, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. The Agency will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. The Agency has a zero-tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Raising a Concern

The Agency adheres to the DoJ Raising a Concern policy, which is designed to reassure staff that it is safe and acceptable to speak up when they have a concern about malpractice. The procedures provide arrangements so that such concerns can be addressed at an early stage and in a fair and proper way. The Head of Internal Audit is involved in conducting independent investigations into issues raised under the policy.

Human rights

Civil servants have a statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services. The Northern Ireland Human Rights Commission (NIHRC) interactive guide to Human Rights is available to staff in the Agency to ensure they have knowledge of human rights law and standards and the core principles through which human rights are realised. The training is designed to increase human rights knowledge and strengthen the culture of human rights awareness and good practice within the Agency.

Estates review

The Agency's estate requirements are reviewed regularly by the Estates, IT and Procurement Committee. Management of the Agency estate is driven by strategic developments in the wider NICS, and its accommodation activities are governed by the Executive's Asset Management Strategy and the property controls that this strategy put in place. In practice this has seen a move away from small leased premises towards maximising the utilisation of NICS premises, and freehold properties (as far as possible), as well as active consideration being given to co-location with other government bodies, where practicable.

Freedom of information and Data Protection

The Freedom of Information (FOI) Act 2000 provides a general right of access to information held by public authorities in the UK subject to certain exemptions. It is intended to promote a culture of openness and accountability amongst public sector bodies, and therefore facilitate better public understanding as to how public authorities carry out their duties, why they make the decisions they do, and how they spend public money.

The Data Protection Act 2018 controls how your personal information is used by organisations, businesses, or the government. Everyone responsible for using personal data has to follow strict rules called 'data protection principles' to ensure personal data is used fairly, lawfully and transparently. The Agency displays, on its website, the processes by which information requests can be made. They must make sure the information is: used fairly, lawfully and transparently.

During 2022-23, the Agency received 10 requests for information under the Freedom of Information Act of which none were returned late and 19 requests regarding personal information under data protection legislation, of which 12 were returned late.

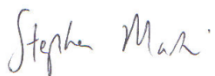
Environmental and sustainability matters

The Climate Change Act NI 2022 sets a clear statutory target of net zero emissions by 2050 and places a number of duties on each NI department, with the Department of Agriculture, Environment and Rural Affairs (DAERA) named as the lead department in the Act.

Within the DoJ, the Core Department leads on the strategic approach and is aiming to launch an Outline Sustainability Strategy and associated action plan in 2023-24. The aim is to set out our commitment to sustainable practices and support us in meeting our obligations under the Climate Change Act (NI) 2022 and in contributing to the first NI Climate Action Plan 2023-2027. Departmental officials also sit on a cross-departmental Strategic Oversight Group and Climate Action Plan Technical Advisory Group, both chaired by DAERA.

As the YJA forms part of the DoJ Reducing Offending Directorate along with the NI Prison Service, the Agency has committed to the NIPS Sustainability Policy, Strategy and Action Plan. In 2007-2008, the YJAs predecessor (Juvenile Justice Board) operated its community services from 23 centres and opened the Juvenile Justice Centre (JJC), Woodlands on 5 November 2007. In 2023-24, the YJA operates community services from 8 offices across its 5 area teams. In relation to the Juvenile Justice Centre, an energy audit was completed in early 2023 and a programme to improve energy efficiency is due to commence in 2023-24.

PERFORMANCE REPORT



Stephen Martin
Chief Executive and Accounting Officer
26 June 2023

ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how the Agency meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

i - Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the Agency's governance structures and how they support the achievement of its objectives.

The Corporate Governance Report includes:

- Directors' Report;
- Non-Executive Members' Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

ii - Remuneration and Staff Report

This section sets out the Agency's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition, the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

iii - Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Other Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

CORPORATE GOVERNANCE REPORT**DIRECTORS' REPORT****Management Board**

The Agency is headed by a Chief Executive who is supported by a Management Board. The Agency's Management Board is responsible for the strategic and business management of the Agency's operations. Details of the salary and benefits of the Management Board members are disclosed in the Remuneration Report. The structure and members of the Management Board for the year ended 31 March 2023 are set out below. Directors were in post for the full financial year unless otherwise noted.

Post	Member
Chief Executive	Stephen Martin
Acting Director of Custodial Services	Paul McStravick (until 28 February 2023)
Director of Custodial Services	Mary Aughey (from 1 March 2023)
Director of Youth Justice Services	Mary Aughey (until 28 February 2023)
Acting Director of Youth Justice Services	Kelvin Doherty (from 1 March 2023)
Director of Corporate Services	Paul Gibson
Non-Executive Member	Nick Fullerton
Non-Executive Member	Hilary McCartan

Nick Fullerton and Hilary McCartan were appointed as Non-Executive Members for a fixed period of three years from 1 April 2020 to 31 March 2023.

Dr Richard Horton and Dr Thomas Moore were subsequently appointed as Non-Executive Members for a fixed period of three years from 1 April 2023 to 31 March 2026.

Board members' interests

A Register of Interests is maintained by the Agency, in keeping with best practice, to record declarations of personal, or business interests which may conflict with responsibilities as a member of the Agency's Management Board. A copy of the Register is available on request. Details of transactions of the Agency with organisations in which Board members hold an interest and which could potentially conflict with their management responsibilities are disclosed in Note 16 to the Accounts, Related Party Transactions.

The Agency has a responsibility to safeguard the information it holds, both in electronic and hard copy format, and has in place data security procedures which mirror those of the DoJ to minimise the risk of compromise of that information. Information assurance issues are reported quarterly to the Agency Management Board.

During 2022-23, the Agency had two minor information security incidents but none were reportable to the Information Commissioner.

Safeguarding and child protection

The Youth Justice Agency is committed to fulfilling its obligations to deliver on our safeguarding and child protection responsibilities to children in our care and their families. This includes those within and on the edge of the youth justice system. Senior managers represent the YJA through attendance at meetings of the SBNI and through participation in a range of Regional SBNI sub-groups and Safeguarding Panels. As families, children, services and staff have struggled with the current cost of living crisis, YJA have worked to deliver responsive services often in collaboration with our partners and key stakeholders across the statutory, voluntary and community sectors. At a strategic level, YJA have also been involved in the cross-departmental working group tasked with developing education awareness and practice guidance in respect of emerging concerns in respect of Child Criminal Exploitation.

The Agency operates a structured yet supported approach to the overall governance and review of child protection and safeguarding concerns. On a six monthly basis, senior managers from across both operational Directorates meet with the Chief Executive to formally review our practice and reporting in respect of child protection. This enables the Agency to be more responsive of emerging issues and staff training needs. Within YJA, child protection concerns present across a range of areas. However, they are most frequently related to serious self-harm and mental ill-health, polysubstance misuse, and threat to life.

YJA staff invest in maintaining regular contact with children and families and we are aware of the significant stresses and subsequent safeguarding and child protection concerns that often have their origins in family poverty, addiction, poor mental health, domestic abuse including child to parent violence and on-line safety.

Over the past year YJA, through the support of Children in Northern Ireland (CiNI) and in line with the SBNI Learning and Development Framework, have engaged in the delivery of mandatory Child Protection Training for all Staff and Volunteers. This process has also informed a full review of the Agency Safeguarding Policy and Procedures. Inherent within this, has been the revision of the YJA Child Protection reporting procedure and direct consultation with children and young people within our services to ensure that the process is clear and understandable for them. Furthermore, the review and development of Agency Information Agreements has taken place across a range of key stakeholders. Some of this work will continue into the next business year.

As the Agency has worked to deliver on the principles of a 'Child First' and Trauma Informed practice lens, with service users, staff have been engaged in the development of practice guidance across a vast range of work streams. This has enabled the development of a new 'needs led' Youth Justice Agency Assessment tool and the revitalisation of service delivery in line with current theory and best practice for children and young people in, and on the edge of the justice system.

YJA are not the lead agency in respect of investigation of child protection concerns however we understand 'safeguarding is everyone's business'. YJA are committed to collaboration as we deliver on our safeguarding responsibilities.

Complaints

The Agency has an easy to understand and responsive complaints procedure which encourages anyone who feels they have been treated unfairly or inappropriately by the Agency to speak out so that concerns can be addressed. The aim is to resolve complaints to the satisfaction of the complainant at the earliest possible stage of the Agency's four-step complaints process, which is monitored in accordance with the Agency's Complaints Charter.

During 2022-23 a total of 10 complaints were received by the Agency. Full details of the Agency's complaints procedures can be found on the Departmental website at: www.justice-ni.gov.uk.

NON-EXECUTIVE MEMBERS' REPORT

Our role as independent Non-Executive Members of the Agency Board is to advise and support the Senior Management Team on matters pertaining to policy and performance, risk management and corporate governance. We also exercise an oversight and challenge function in respect of budgetary control, human resource matters, business planning, monitoring of performance and the achievement of strategic outcomes.

2022-23 has been another successful year for the Youth Justice Agency. The excellent performance of the Agency in relation to the achievement of business objectives and maintenance of robust governance standards reflects the continuing commitment, adaptability and resilience of management and staff.

In relation to ongoing training and development, we welcomed the opportunity to attend meetings of the NICS Non-Executive Directors' Forum organised by the Department of Finance to engage with Non-Executive Board Member colleagues across the NICS and listen to presentations on wider strategic issues. Also, the Audit and Risk Committee (ARC) Chair attended the DoJ/ARC Chairs' meeting in September 2022 in order to meet with Non-Executive colleagues and keep abreast of developments in corporate governance.

Agency Board

The Agency Board met eight times during the year 2022-23 and we attended all Board meetings.

We recognise that the global pandemic has resulted in changes to staff working practices and acknowledge staff efforts to adapt to the new Hybrid Working Policy.

During 2022-23 we valued the opportunity, along with Board colleagues, to engage face to face with the Foyle Area Team, the Woodlands JJC Team and the Business Support Team in Belfast as part of "Valuing Our People" Sessions. It was a privilege to hear from staff across the Agency who work tirelessly to deliver high quality community, custodial and corporate services. These engagement sessions with staff were very informative to us as non-executives as they gave us the opportunity to hear first-hand about ongoing frontline initiatives taking place to meet the needs of young people, carers and their families, and victims.

Separately, it was also very enlightening to learn of developments from colleagues who gave presentations at monthly Board meetings. Such presentations included the presentation from the Assistant Director (Eastern Area Team) on the new YJA Needs Assessment Tool, which is in the process of being embedded into the Model of Practice. NISRA staff on secondment to the Agency also provided a presentation on the survey work they conduct to inform the work of the Youth Justice Services Team. We recognise the valuable contribution which this data makes to the Outcomes Based Accountability process and in providing robust evidence to answer the question "What Difference did We Make?". We also appreciated the collaborative efforts of the entire YJA team.

NON-EXECUTIVE MEMBERS' REPORT (CONTINUED)

Also, a senior manager from Woodlands JJC gave a very informative presentation on the training, safeguarding and governance processes in place in relation to the behaviour management and restraint system - MMPR - (Minimising and Managing Physical Restraint) used in Woodlands JJC.

As Non-Executive Members we were reassured to learn that a key element of the system was the use of de-escalation and diversion strategies to manage incidents with restraint used as a last resort.

In addition, we welcomed plans to develop a new shared multi-disciplinary health and therapeutic care service at Woodlands JJC and Lakewood Secure Care Centre. The on-going work to address recommendations and actions on governance, planning and delivery on foot of the recent OGC Gate 0 Review is encouraging. We also note the publication in June 2023 of the Report of the Independent Review of Children's Social Care Services which is led by Professor Ray Jones.

Our role also included overseeing the Agency's response (including detailed action plan) to the Report (published September 2022) on the Announced Inspection of Woodlands Juvenile Justice Centre by CJINI. We acknowledge the work being undertaken by management to address the operational recommendations including the areas for improvement.

During 2022-23, the Management Board continued the practice of conducting a detailed 'deep dive' of one strategic risk at each Board meeting including horizon scanning. This practice provides us with assurance that corporate risk management is at the heart of governance within the Agency.

In addition, as Non-Executive Members, we welcomed the comprehensive finance reports presented at Board meetings and were encouraged by the scenario planning exercises produced as preparatory work for 2023-24 and beyond. We recognise the budgetary challenges that lie ahead for the Agency.

Separately, we commend the significant work undertaken by staff across the Agency to draft and publish the YJA Corporate Plan 2022-25 and supporting Business Plan 2022-23, and the publication of the Performance Impact Report 2021-22. As Non-Executive Directors of the Management Board, we also receive quarterly updates of the Agency's performance against the Business Plan and the alignment to YJA Strategic Outcomes.

Audit and Risk Committee

The Audit and Risk Committee (ARC) consists of two Non-Executive Members and Mr John McCord, Independent Member and a civil servant. The role of ARC is to support the Management Board in its responsibilities for ensuring that corporate governance, risk management and internal control processes operate effectively.

ARC met on three occasions during 2022-23 and received ongoing reports from internal and external auditors, regular updates in relation to finance, information assurance, draft annual accounts and guidance in relation to finance circulars.

NON-EXECUTIVE MEMBERS' REPORT (CONTINUED)

ARC also undertook regular scrutiny of the Agency's Risk Register. We are assured by the robust standards of financial management and corporate governance operating in the Agency.

During the year, the ARC conducted a comprehensive effectiveness review in response to the revised NAO Audit and Risk Assurance Committee Effectiveness Tool which was issued in May 2022. The ARC Chair (Hilary McCartan) prepared a separate Summary Report for the ARC and Board highlighting the main conclusions arising from the review. The results of the self-assessment review supported the conclusion of the Committee that it is operating effectively and is complying with Audit and Risk Committee best practice.

The ARC Chair wishes to record thanks to Mr John McCord (ARC Independent Member) for his contribution to the work of the Committee.

Conclusion

We wish to record our thanks and appreciation to Agency management and staff as we complete our tenure on the Management Board and Audit and Risk Committee on 31 March 2023, and extend best wishes to all for the future.

Nick Fullerton and Hilary McCartan

Non-Executive Members

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance (DoF) has directed the Youth Justice Agency to prepare for each financial year a statement of accounts in a form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its income and expenditure, Statement of Financial Position 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 DoF, 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;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department of Justice has designated the Chief Executive of the Youth Justice Agency as the Accounting Officer for the Agency. The responsibilities of an Agency Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records and for safeguarding the Agency's assets are set out in the Accounting Officer's Memorandum in Managing Public Money Northern Ireland issued by DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

1. Scope of responsibility

The Agency is an Executive Agency of the DoJ and operates within the context of the Department's overall vision and strategic objectives. The principal aim of the Agency is to make the community safer by helping children to stop offending. In seeking to achieve this the Agency delivers a range of services, often in partnership with others, to help children and young people address their offending behaviour, divert them from crime, assist their integration into the community, and to meet the needs of victims of crime.

As the designated Accounting Officer for the Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI). I am accountable for the effective, efficient and economic use of resources provided to the Agency; for the regularity and propriety of its expenditure; and for ensuring that the requirements of MPMNI are met.

The Agency sits within the DoJ's Reducing Offending Directorate which fulfils the sponsor role for both the Northern Ireland Prison Service (NIPS) and the Agency. The Directorate provides end to end support to individuals to help reduce their risk of offending and brings together custodial services across Northern Ireland.

A Framework Document is in place - this defines the responsibilities of, and the relationship between, the Agency, DoJ, Ministers and the Northern Ireland Assembly and outlines the Agency's financial structure, personnel management arrangements and relationship with other agencies.

Our Sponsor Directorate also approves the Agency's Business Plan and regularly reviews the Agency's progress through regular review meetings.

2. Purpose of the governance framework

MPMNI summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to supplement the accounts, providing a sense of how successfully it has coped with the challenge it faces. The Agency's governance framework consists of the Board operating framework, the risk management framework, financial management systems and supporting policies and procedures. The governance framework delivers the systems and processes as well as the culture and values by which the Agency is directed and managed. It sets out how the Agency monitors the achievement of its strategic objectives and considers whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and 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 Agency's Governance Framework is set out in the next section of this Governance Statement.

2. Purpose of the governance framework (continued)

There is also a risk management system in place which is designed to identify the Agency's risk appetite and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised, their potential impact and to manage them effectively. The system of internal control has been in place in the Agency throughout the year ended 31 March 2023 and up to the date of approval of the accounts.

3. Governance framework

Management Board

The Agency's governance framework is overseen by the Management Board which provides collective strategic and operational leadership. The Agency's governance framework complies with the Corporate Governance Code and is based on:

- a clear organisational structure with accountability structures;
- an effective business planning process including monitoring and evaluation of progress against targets;
- strong financial management controls including delegated authority limits;
- early implementation of guidance to relevant budget holders and monthly financial reporting analysis;
- proper procurement controls and adherence to DoF guidance;
- thorough appraisal of projects, with business cases being prepared for expenditure and approved within delegations; and
- progress against performance targets and objectives which are monitored throughout the business year and a full assessment published in the Agency's Annual Report and Accounts.

I am supported by the Management Board which focuses primarily on policy, planning and priority setting and the monitoring of business performance. The three Directors each have specific areas of responsibility. The two Non-Executive Members bring a good mix of previous knowledge and experience from a wide range of other organisations both public and private sector. I thank them for providing the benefit of their professional skills and advice.

The Management Board, which currently comprises six members, meets regularly and the meetings are chaired by me, the Chief Executive. The Management Board is supported by the Agency's designated Financial Shared Services Accountant, NICSHR representative and the Head of Communications who also attend the meetings.

3. Governance framework (continued)

Management Board (continued)

Attendance by members is shown below for the eight meetings of the Agency Board during 2022-23:

Position	Member	Attendance
Chief Executive	Stephen Martin	8
Acting Director of Custodial Services	Paul McStravick (until 28 February 2023)	8
Director of Custodial Services	Mary Aughey (from 1 March 2023)	1
Director of Youth Justice Services	Mary Aughey (until 28 February 2023)	6
Acting Director of Youth Justice Services	Kelvin Doherty (from 1 March 2023)	1
Director of Corporate Services	Paul Gibson	8
Non-Executive Member	Nick Fullerton	8
Non-Executive Member	Hilary McCartan	8

The Management Board reviews its effectiveness and operating procedures every three years, unless an earlier review is considered necessary, in order to help enhance its performance and improve the organisation. The Terms of Reference were last reviewed in May 2019.

The Management Board is supported by a number of Committees working within the organisation which gives the Board members assurance over the quality of information being presented to them each month. The Committees are:

- Audit and Risk Committee;
- Communications Committee; and
- Procurement, Estates and IT Committee.

3. Governance framework (continued)

Audit and Risk Committee

I am also supported by the Agency's Audit and Risk Committee which meets three times a year with a membership of:

- the Agency's two Non-Executive Members (NEMs); and
- a Senior Civil Servant independent of the Agency from within the NICS.

Attendance by members is shown below for the three meetings of the Audit and Risk Committee during 2022-23:

Position	Member	Attendance
Non-Executive Member	Hilary McCartan (Chair)	3
Non-Executive Member	Nick Fullerton	3
Independent Member	John McCord - Civil Servant in Department for Communities	3

The following were generally in attendance at all Audit and Risk Committee meetings:

Chief Executive, Director of Corporate Services, Head of Information and Records Management, Head of Internal Audit, and representatives from Northern Ireland Audit Office (NIAO) and Financial Services Division (FSD).

The objectives of the Committee are to advise the Accounting Officer on:

- the Agency's risk management process and preparation and updating of the risk management framework;
- the adequacy of arrangements for internal control and risk management including the preparation of the Governance Statement;
- the accounting policies;
- the review of the Annual Report and Accounts prior to submission for audit;
- recommendations identified in the Report to those Charged with Governance;
- planned activity of Internal Audit and External Audit;
- the results of internal and external audit activity including ensuring appropriate action has been taken;
- assurances relating to the corporate governance requirements; and
- anti-fraud policies, raising a concern processes and arrangements for special investigations.

The Terms of Reference for the Audit and Risk Committee were reviewed in April 2022 and formally agreed in May 2022.

3. Governance framework (continued)

Communications Committee

The Communications Committee meets regularly throughout the year. It is chaired by the Chief Executive with membership comprising representation, at a senior level, from each Directorate and from the DoJ Communications (Press Office) Team. The Committee operates under agreed Terms of Reference and meetings are recorded. Regular monthly reports are provided to the Management Board by the Head of Communications on behalf of the Committee.

The Committee is responsible for oversight of all communications activities both internally and externally to support the Agency's strategic aims in accordance with its corporate plan. This includes:

External

- establishing and maintaining an appropriate public/media profile for the Agency consistent with the requirements of the Management Board; and
- promoting the work of the Agency to key stakeholders, the media, and to the general public.

Internal

- delivering effective internal communications across the Agency; and
- enhancing staff engagement opportunities.

The Committee also has responsibility for the oversight and delivery of the Agency's charity policy and procedures, and oversees the planning and delivery of corporate social responsibility initiatives and corporate events.

Procurement, Estates and IT Committee

The Procurement, Estates and IT Committee meets regularly throughout the year. It is chaired by a Director, who is also a Board member. The Committee operates under agreed Terms of Reference and meetings are recorded. The Committee provides regular updates to the Management Board.

The Committee is responsible for all issues of control, governance and associated assurances in relation to the procurement of goods and services across the Agency. It is supported by an internal Premises Forum which links regional offices and ensures local office needs are met and efficiency is maintained across the estate.

The Committee is also responsible for ensuring that the Agency's estate is commensurate with business needs and delivers value for money. In addition, it oversees the IT strategies, policies and operational requirements within the Agency to ensure they are in line with business needs and the NICS strategic direction.

3. Governance framework (continued)

Procurement, Estates and IT Committee (continued)

The role of the Committee is to:

Procurement

- ensure best practice in the procurement and contract management of goods and services in line with the public procurement policy and guidance from DoF's Construction and Procurement Delivery (CPD);
- ensure the Agency procurement strategy supports the objectives set out in the Corporate Plan;
- ensure transparency, equality of opportunity and consistency in all procurement practices;
- work towards achieving value for money through competitive tender, collaborative opportunities within the wider DoJ family etc;
- provide advice to Senior Managers on the most efficient, economic and effective process for the procurement of goods and services;
- identify areas for efficiency and establish Agency wide contracts for generic services; and
- consider all procurement proposals in relation to goods and services, IT, premises; external funding to voluntary and community groups, small grants, learning and development and consultancy.

Estates

- carry out a fundamental review of the Agency estate, particularly in relation to Youth Justice Services Directorate (regionally-based);
- ensure the Youth Justice Services estate is fit for purpose and is of the right configuration to meet caseload;
- work towards achieving value for money through reducing the estate or by collaborative accommodation arrangements within the wider DoJ family; and
- monitor maintenance contracts in place in the JJC, Headquarters and Youth Justice Services and costs.

IT

- ensure IT provision meets the business needs of the Agency;
- ensure the Agency's IT strategy and policies are aligned to DoJ;
- oversee the IT User Group; and
- ensure adequate arrangements are in place across all Agency premises in the interests of the security of staff, IT, records and assets.

4. Risk management and internal control

The management of risk is controlled by the Agency's Management Board and Audit and Risk Committee. It is the responsibility of the Agency's Management Board to identify and control the risks faced by the Agency in order to minimise any potential issues. The format of the Agency's Risk Register is consistent with the Department's Corporate Risk Register which ensures a uniform approach across the Department in how we present and manage risk. The Agency held a Strategic Risk Workshop in October 2021 and reviewed, in depth, the Risk Register. In addition, the Agency Management Board undertakes a deep dive of one risk at each of its meetings.

The Agency employs the following structured approach to the risk management process:

- the Chief Executive and Directors are responsible for risk management within their areas. The Management Board reviews the Agency's risk appetite and the top risks on a quarterly basis as well as the Agency's compliance with best corporate governance. Each quarter the Audit and Risk Committee reviews the risks listed in the Agency's Top Risks Register together with the likelihood; impact; controls in place to mitigate the risks; and further action required. It also identifies emerging risks and the impact they may have on the Agency.
- the Chief Executive receives Dear Accounting Officer (DAO) letters and Public Accounts Committee (PAC) Reports from DoJ/DoF which provide specific advice on issues of accountability, regularity and propriety and annual accounting exercises. These reports are reviewed, shared with staff and acted upon as necessary.
- the Management Board promotes an anti-fraud culture, supported by budget managers and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams.
- a Risk Management Policy for the Agency has been produced and ensures that the management of risk is embedded in policy making, planning and delivery of the Agency's aims and objectives. It includes a plan setting out the Agency's co-ordinated approach to risk management, what it involves and how it should be conducted.
- the 'DoJ Risk Management - A Practical Guide' has been used to provide clear approaches to risk management in the Agency. The Risk Management Policy of the Agency puts risk management at the forefront of improving its corporate governance. In this regard, corporate governance is managed and monitored at the Management Board and Audit and Risk Committee.
- the Agency has a process of delegation embedded within the Agency to ensure expenditure is being approved at the appropriate level.
- Stewardship Statements are completed at Directorate level at half and full year intervals. The purpose of these Stewardship Statements is to improve management and control by identifying management's specific responsibilities and seeking written assurances that these have been exercised with due care and attention.

4. Risk management and internal control (continued)

As the Agency's Accounting Officer, I am required to provide assurance to the DoJ's Accounting Officer on the standard of internal control within the Agency. In this regard, a Sponsored Body Stewardship Statement is returned to DoJ at half and full year intervals. Both the internal Stewardship Statements and the DoJ Stewardship Statements inform the content of this Governance Statement.

Another key element of the Agency's risk and control framework is a professionally led Internal Audit function that works to Government Internal Audit Standards. It reviews the overall arrangements for managing risk, provides assurance, and reports any matters of concern to the Audit and Risk Committee. Assurance is also obtained from the external auditors who present their report to the Audit and Risk Committee following the statutory audit of the Agency's Annual Report and Accounts.

There are a number of other sources from which I draw assurance on the system of internal control. These include the work of the following independent bodies:

- Criminal Justice Inspection NI (CJINI);
- NI Children's Commissioner (NICCY);
- NI Human Rights Commission (NIHRC);
- Department of Health (DoH);
- Independent Monitoring Role; and
- Health and Safety Executive NI (HSENI).

There were no significant control weaknesses identified from reviews carried out by these independent bodies in 2022-23.

The C&AG published a follow-up VFM report on Managing Children Who Offend on 1 December 2020. The Agency developed an action plan in response and has fully addressed the three recommendations in the report.

Information assurance

The Agency has fully embraced the DoJ's Information Assurance policy and procedures and is represented at the DoJ Information Risk Owners Council (IROC) which comprises senior business owners across the departmental family and holds them to account for the ownership and management of information assurance risks within their respective business areas. In line with IROC requirements, the Agency has appointed a Security Manager to oversee delivery of the Information Assurance policy and procedures and to implement the Security Policy Framework. All IT systems are accredited by the DoJ Accreditation Authority Panel.

5. Review of effectiveness of the governance framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of the governance framework. I have been advised throughout the year on the effectiveness of the system of internal control by the Board and Audit and Risk Committee, and from reports by executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework.

As part of the review of effectiveness of the governance framework, each Director provides a bi-annual and an annual Stewardship Statement in relation to their specific responsibilities for supporting the effectiveness of the internal control and governance environment.

Regular meetings took place throughout the year between the Agency and its Sponsor Directorate with the Chief Executive meeting monthly with the Directors and Acting Director to discuss progress against key priorities.

I have ensured the effective management of financial resources by following financial management practices and guidance issued by DoJ/DoF. Budget holders also received monthly management accounts and updated financial forecasts throughout the year.

My review of the effectiveness of the system of internal control has been informed by the reports produced by Internal Audit. During 2022-23, the following audits were completed by Internal Audit:

Area	Status
Business Continuity Planning	Satisfactory
Corporate Governance	Satisfactory
Information Assurance (including home working)	Satisfactory
Early Intervention Transformation Programme	Satisfactory

The level of assurance provided by each rating is as follows:

Satisfactory - overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the achievement of objectives.

Limited - there is an inadequate and/or ineffective system of governance, risk management and control in place. Therefore there is significant risk that the system will fail to meet its objectives.

5. Review of effectiveness of the governance framework (continued)

The recommendations made in the Internal Audit Reports carried out in 2022-23 have all been accepted by the Agency. All recommendations have been drawn up into Action Plans for implementation, the progress of which is reported to the Audit and Risk Committee.

Looking ahead the following internal audit reviews will be carried out in 2023-24:

- Government Procurement Card;
- Creditors Payments including Gift and Hospitality; and
- Complaints Handling.

In addition to these assurances, the Audit and Risk Committee receives from the Northern Ireland Audit Office a 'Report to Those Charged with Governance' which includes observations and recommendations on internal controls arising from the annual audit of the Annual Report and Accounts.

The outcomes of the following reviews have in particular provided me with further assurance of the effectiveness of the governance framework:

- In 2022-23, independent monthly monitoring visits to JJC were undertaken by a retired senior member of the management team from DoJ's Reducing Offending Directorate. These visits are to ensure that young people are being appropriately treated and managed in accordance with the aims of the Centre. A report of each visit was presented to and reviewed by the Agency's Management Board. These reports have been encouraging and have demonstrated that young people are being appropriately treated and managed.

6. Budget position and Authority

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

7. Significant internal control issues

Effective governance arrangements and senior oversight are maintained to ensure appropriate and timely responses to such issues that arise.

There were no significant internal control issues during 2022-23.

8. Accounting officer statement on assurance

The Agency has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity, and by Internal Audit operating to Government Internal Audit Standards. They deliver an agreed prioritised programme of systems-based audits covering the Agency's systems over time. The Head of Internal Audit provides me with an Annual Report and her professional opinion on the level of assurance that she can provide based on the work done. The Head of Internal Audit forms her professional opinion on the basis of the Internal Audit work completed over a three-year period and she has provided overall satisfactory assurance.

The Agency has maintained a framework of control to ensure that there are sufficient control processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control. I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support the Agency in delivering its statutory duties and to meet the aims and objectives set by the Minister, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in Managing Public Money Northern Ireland.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 24th November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on 6 December 2022, the NI public sector pay policy guidance was published on 8 December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022-23 has been finalised and was paid in June 2023. The pay award for NICS industrial staff for 2022-23 has been finalised and is due to be paid in July 2023.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

The Chief Executive is the only member of staff within YJA who is a member of the SCS. Staff at Grade 7 and below fall within the same pay settlement arrangements as NICS staff at the same grades.

Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

Nick Fullerton and Hilary McCartan were appointed as Non-Executive Members on 1 April 2020 for a fixed period of three years, ending on 31 March 2023.

Dr Richard Horton and Dr Thomas Moore were subsequently appointed as Non-Executive Members for a fixed period of three years from 1 April 2023 to 31 March 2026.

Remuneration and pension entitlements - Officials

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

[Audited information]

<u>Single total figure of remuneration</u>				2022-23
Officials and NEMs	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Stephen Martin Chief Executive	75-80	-	(3)	70-75
Paul McStravick Acting Director of Custodial Services (until 28 February 2023)	55-60 (full year equivalent 60-65)	-	13	70-75 (full year equivalent 75-80)
Mary Aughey Director of Youth Justice Services (until 28 February 2023) Director of Custodial Services (from 1 March 2023)	60-65	-	23	80-85
Kelvin Doherty Acting Director of Youth Justice Services (from 1 March 2023)	0-5 (full year equivalent 50-55)	-	2	5-10 (full year equivalent 50-55)
Paul Gibson Director of Corporate Services	55-60	-	(31)	20-25
Hilary McCartan Non-Executive Member	5-10	0.1	-	5-10
Nick Fullerton Non-Executive Member	5-10	0.3	-	5-10

Remuneration and pension entitlements - Officials (continued)

<u>Single total figure of remuneration</u>				2021-22
Officials and NEMs	Salary	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £1,000)	Total
	£000	£000	£000	£000
Stephen Martin Chief Executive (from 17 May 2021)	65-70 (full year equivalent 75-80)	-	27	90-95 (full year equivalent 100-105)
Declan McGeown Chief Executive (until 16 May 2021)	10-15 (full year equivalent 75-80)	-	13	25-30 (full year equivalent 90-95)
Paul McStravick Acting Director of Custodial Services	60-65	-	25	85-90
Mary Aughey Director of Youth Justice Services	60-65	-	23	80-85
Paul Gibson Director of Corporate Services	55-60	-	12	65-70
Hilary McCartan Non-Executive Member	5-10	-	-	5-10
Nick Fullerton Non-Executive Member	5-10	0.5	-	5-10

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

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting 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 severance or ex gratia payments. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind shown above are in respect of expenses incurred on Agency business including approved mileage claims and parking. In line with revised guidance from HMRC for Non-Executive Members (NEMs) with effect from 1 April 2019, expenditure on benefits in kind has been grossed up for individual NEMs and PAYE/NIC rules applied in line with normal payroll procedures.

Fair pay disclosures

Pay ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

[Audited information]

The banded remuneration of the highest-paid director in the Agency in the financial year 2022-23 was £75,000 to £80,000 (2021-22: £75,000 to £80,000).

The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below:

2023-23	25th percentile	Median	75th percentile
Total remuneration (£)	28,706	34,017	38,650
Pay ratio	2.70:1	2.28:1	2.01:1

2021-22	25th percentile	Median	75th percentile
Total remuneration (£)	29,285	34,922	38,394
Pay ratio	2.65:1	2.22:1	2.02:1

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

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £28,706 (2021-22: £29,285), £34,017 (2021-22: £34,922) and £38,650 (2021-22: £38,394) respectively.

No employees (2021-22: None) received remuneration in excess of the highest paid Director.

Remuneration ranged from £20,000 to £75-80,000 (2021-22: £20,000 to £75-80,000).

Percentage change in remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses,

of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Agency are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2022-23 v 2021-22	2021-22 v 2020-21
Average employee salary and allowances	0.1%	3.1%
Highest paid director's salary and allowances	0%	0%
Average employee performance pay and bonuses*	0%	(100%)

* The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021.

Pension entitlements - Officials

[Audited information]

Officials	Accrued pension at age as at 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23**	CETV at 31/3/22*	Real increase in CETV	Employer contribution to partnership pension account	Nearest £100
	£000	£000	£000	£000	£000		
Stephen Martin Chief Executive	30-35 plus a lump sum of 50-55	0-2.5 plus a lump sum of 0-2.5	548	501	(15)	-	
Paul McStravick Acting Director of Custodial Services (until 28 February 2023)	30-35 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0-2.5	621	600	8	-	
Mary Aughey Director of Youth Justice Services (until 28 February 2023) Director of Custodial Services (from 1 March 2023)	25-30 plus a lump sum of 30-35	0-2.5 plus a lump sum of 0-2.5	364	340	13	-	
Kelvin Doherty Acting Director of Youth Justice Services (from 1 March 2023)	5-10 plus a lump sum of 0-2.5	0-2.5 plus a lump sum of 0-2.5	115	113	1	-	
Paul Gibson Director of Corporate Services	25-30 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0-2.5	599	577	(40)	-	

* Or date of joining if later.

** Or date of leaving if earlier.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

No pension benefits are provided to the Non-Executive Members.

Compensation for loss of office

There were no compensation benefits paid by the Agency to any members of the Management Board during the financial year.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being members of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members.

The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. We are currently working on new scheme regulations and processes in readiness for this.

It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g., legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completed Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

Alpha 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 accrual rate is 2.32%.

Northern Ireland Civil Service (NICS) Pension Schemes (continued)

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) - Closed Scheme

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS (NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

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.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

Northern Ireland Civil Service (NICS) Pension Schemes (continued)

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 2023 to 31 March 2024 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - all members from 1 April 2023 to 31 March 2024
From	To	
£0	£25,049.99	4.60%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension 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) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

STAFF REPORT

Staff costs

[Audited information]

	Note	Permanently Employed Staff	Others	2022-23 £000 Total	2021-22 £000 Total
Wages and salaries		7,429	229	7,658	7,887
Social security costs		825	-	825	807
Other pension costs		2,169	-	2,169	2,241
Total costs*	2	10,423	229	10,652	10,935

* Of the total, £Nil has been charged to capital.

The NICS main pension schemes are unfunded multi-employer defined benefit schemes, but the Agency is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information, including a copy of Unpause Cost Cap Valuation Report, can be found on the Department of Finance website: <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

Staff costs (continued)

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2022-23, employers' contributions of £2,093,404 were payable to the NICS pension arrangements (2021-22: £2,210,640) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £4,289 (2021-22: £Nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2021-22: 8% to 14.75%) of pensionable pay. The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £Nil, 0.5% (2021-22: £Nil, 0.5%) of pensionable pay, were payable to the NICS pension schemes 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 period date were £Nil. Contributions prepaid at that date were £Nil.

Three persons (2021-22: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £24,664 (2021-22: £7,828).

Staff turnover

The Agency staff turnover percentage (the total number of people that have left the Agency including those who have moved within the NICS) for 2022-23 is 12.7%, and the general turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 10.8%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

	2022-23 %	2021-22 %
Agency Turnover	12.7%	8.6%
General Turnover	10.8%	7.7%

Average number of persons employed

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

[Audited information]

	2022-23 Number		2021-22 Number	
	Permanently employed staff	Others	Total	Total
Operational staff	196	5	201	206
Administration and support staff	15	-	15	19
Total*	211	5	216	225

* Of the total, no staff are engaged on capital projects (2021-22 Nil).

Staff composition

The number of persons employed was as follows:

	At 31 March 2023			At 31 March 2022		
	Female staff	Male staff	Total staff	Female staff	Male staff	Total staff
Agency Board	2	4	6	2	4	6
Senior Civil Service	-	1	1	-	1	1
Agency Employees	131	89	220	145	91	236

Managing attendance

Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2022/23” report at [Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/publications/sickness-absence-report-2022-23). The NICS Sickness Absence Report for the 2022-23 financial year is due to be published by the end of June 2023 and Departmental/Agency reports will be available shortly afterwards.

Staff engagement scores

The Head of the NI Civil Service advised on 7 November 2022 that the launch of the next People Survey would be postponed until Spring 2023 and so no survey was conducted in 2022. The results of the survey conducted in 2023 were not available in advance of finalising the Annual Report and Accounts. However, the full survey is expected to be made available in Summer 2023 at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

Staff policies

Equality, diversity and inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

Our Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+.

We deliver an ambitious diversity and inclusion programme of work through the implementation of an annual NICS Diversity Action Plan, which sets out our priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information on the NICS' commitment to equality of opportunity is available in the [Equality, Diversity and Inclusion Policy](#).

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees.

Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS [Workforce Reviews](#).

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Agency's equality scheme is available at [Department of Justice](#).

Employment, training and advancement of disabled persons

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. The NICS Diversity Champions Network was established in 2015 and continues to drive diversity and inclusion across the service. The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the service.

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Panel members must complete mandatory recruitment and selection training prior to participating on any selection panel. This training includes specific learning on equality and diversity, relevant legislation and reasonable adjustments for disabled candidates. Unconscious bias training is available to all staff.

The NICS continues to be a lead partner of Employers for Disability NI (EFDNI) and is committed to the employment and career advancement of disabled people. A range of activities to encourage and promote Civil Service career opportunities to the disability sector were delivered during 2022/23, including positive action advertising, targeted advertising and outreach information sessions for large volume recruitment competitions. The NICS continues to have a permanent presence on EFDNI's Jobs Bulletin Board which is an online career opportunities service circulated to disability organisations.

The NICS operates a Guaranteed Interview Scheme (GIS) which applies to all external NICS recruitment competitions (at any grade and any discipline) where appropriate. This ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. For more information refer to the "Information for disabled applicants" section of the NICS recruit website.

Due to the ongoing Covid-19 restrictions, the NICS Work Experience Scheme for Disabled People remained closed to applications until November 2022. The NICS continued its' participation in International Job Shadow Day (IJSJ) by facilitating 13 work placements in 2022. This initiative provides work experience for disabled people of all ages.

During this year the nine-month placement work placement opportunities under the Job Start Scheme pilot within the Department for Communities (DfC) for 15 young disabled people (aged 16-24) concluded. As a result of an amendment to Recruitment Code merit principle approved by the Civil Service Commissioners, nine of the successful participants were made permanent offers of appointment in the NICS. Another three placement workers successfully obtained employment with other employers.

In June 2022, the Northern Ireland Executive, in partnership with the Harkin Institute, hosted the Harkin International Summit 2022. The event brought together leaders and activists across Business, Government, Philanthropy, the Third and Voluntary Sector, and Academia to highlight and address disability employment issues, showcase best practice and success, build relationships and challenge for change. The NCS as an employer participated, attended and supported the summit to promote its commitment to disability inclusion.

Employment, training and advancement of disabled persons (continued)

To maintain and promote a disability inclusive workplace, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons. During the year a programme of awareness training was available to all staff.

Employee consultation and Trade Union relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development¹ consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Employee relations

The Agency recognises the importance of good employee relations and is committed to effective employee communications. Management Board meetings are rotated around all Agency premises and are preceded by Valuing People Group meetings which give local staff an opportunity for face-to-face discussion with Board members on a range of topical issues. However, these meetings with staff were temporarily suspended, but subsequently reinstated virtually, due to Covid-19 restrictions. This situation was kept under review, and face-to-face meetings recommenced in November 2022.

Throughout 2022-23 the Agency published regular Covid-19 updates, staff bulletins and Board briefings via e-mail and staff intranet. Managers also held regular team meetings to communicate with staff, receive feedback, and give staff the opportunity to raise any issues for the attention of senior management. Taken together, these served as a communications framework to deliver information to staff on a timely basis. Management and Trade Union representatives also meet as required to ensure continued good industrial relations.

¹ HR policy and Industrial Relations policy for the NICS is centralised within People & OD, in the Department of Finance

Learning and development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development. Development and delivery of generic staff training is centralised in NICS². Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and highlights the importance of the development conversation between managers and staff, with a number of resources already available within the existing talent management toolkit. The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

In October 2022, a Task and Finish Group made up of colleagues from across the Agency developed an action plan focused on targeted improvements to how it identifies, plans and delivers learning and development across the Agency.

Good progress has been made on delivering the actions in the plan and a single annual Learning and Development for the Agency is being developed for 2023-24. This will draw on the learning and development needs identified by staff through their personal development plans and the Agency's business plan to produce learning and development priorities for the year ahead. Despite the challenging budget position, the Agency will be committing as many resources as it can to meeting the identified L&D priorities.

Health and safety

The Agency is committed to providing an environment, that is, as far as possible, safe and free from risk to health for staff, young people and visitors. The Agency accepts the responsibilities as outlined within the scope of the Health and Safety at Work (Northern Ireland) Order 1978 and does all it can to ensure the full commitment at all levels of management and the cooperation of all members of staff in order to meet its obligations under this legislation. The Agency has developed an effective management system based on the HSG65 management model issued by the Health and Safety Executive for Northern Ireland (HSENI). This system ensures that legislative requirements are met and relies on the commitment of management and staff at all levels. Within our custodial environment the governance and delivery of health and safety requirements is further supported at an operational level by the establishment of a Health and Safety Committee. This well-established forum assists the Director and Senior Management Team in the discharge of their health and safety responsibilities specific to Woodlands, Juvenile Justice Centre. The Agency also continues to work closely with the HSENI on related matters.

² NICS² is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

Health and safety (continued)

Basic health and safety training continues to be provided via e-learning including Fire Safety, Office Safety and Display Screen Equipment Awareness. In addition, bespoke Fire Safety training, specific to Woodlands JJC, was provided to all staff within the Centre. Completion of this suite of courses is mandatory for all staff. Additional training for specialist roles and training needs identified by the risk assessment process will continue to be provided by NICSHR L&D.

The Agency has had to adapt its workplaces in response to the Covid-19 pandemic in order to accommodate the changes required under associated legislation. This has had a significant impact upon our staff and particularly their resilience in developing safer, healthier ways of delivering our services to children and their families. Our safe system of work shows we have embraced the 'virtual environment' and reconfigured our office spaces to comply with social distancing requirements. Our custodial environment has been transformed with medical led Covid-19 infection control measures to the fore. The use of virtual technology has enabled us to maintain a safe and secure environment while also allowing children, their families, legal representatives and courts to interact in a safe manner.

Expenditure on consultancy

The Agency incurred no expenditure on consultancy during 2022-23 or 2021-22.

Off-payroll engagements

There were no off-payroll engagements requiring disclosure during 2022-23 or 2021-22.

Reporting of Civil Service and other compensation schemes - exit packages

There were no exit packages requiring disclosure during 2022-23 or 2021-22.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES****Regularity of expenditure**

[Audited information]

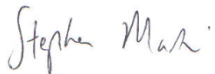
Losses and special payments

There were no losses or special payments that require disclosure in 2022-23 or 2021-22.

Remote contingent liabilities

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Agency is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. The Agency has no such liabilities.

Note 15 provides further details regarding the contingent liabilities that are included within the financial statements.

ACCOUNTABILITY REPORT

Stephen Martin
Chief Executive and Accounting Officer
26 June 2023

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Youth Justice Agency for the year ended 31 March 2023 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Youth Justice Agency's affairs as at 31 March 2023 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Youth Justice Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Youth Justice Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Youth Justice Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Youth Justice Agency is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)**Opinion on other matters**

In my opinion based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Youth Justice Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Youth Justice Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Youth Justice Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Youth Justice Agency through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

- making enquires of management and those charged with governance on the Youth Justice Agency's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Youth Justice Agency's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following area: management override of controls;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (CONTINUED)

- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
29 June 2023

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2022-23 £000	2021-22 *Restated £000
Revenue from contracts with customers	4	(4)	(2)
Other operating income	4	(116)	(107)
Total operating income		(120)	(109)
Staff costs	2	10,652	10,935
Purchase of goods and services	2	3,546	3,706
Depreciation and impairment charges	2	1,137	755
Provisions expense	2	(41)	(251)
Total operating expenditure		15,294	15,145
Net operating expenditure		15,174	15,036
Finance expense	2	(41)	14
Net expenditure for the year		15,133	15,050
Audit notional costs		19	19
Other notional costs		609	687
Total notional costs		628	706
Net expenditure for the year including notionals		15,761	15,756
Other comprehensive net expenditure			
Items that will not be reclassified to Net operating expenditure:			
- net (gain) on revaluation of property, plant and equipment	5	(2,043)	(1,262)
- net (gain) on revaluation of intangibles	6	(1)	(1)
Comprehensive net expenditure for the year		13,717	14,493

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.24 for further details.

The notes on pages 80 to 104 form part of these accounts.

Statement of Financial Position

As at 31 March 2023

This statement presents the financial position of the Youth Justice Agency. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Property, plant and equipment	5	22,819	20,435
Intangible assets	6	8	14
Total non-current assets		22,827	20,449
Current assets			
Trade and other receivables	9	166	198
Cash and cash equivalents	8	2	2
Total current assets		168	200
Total assets		22,995	20,649
Current liabilities			
Trade and other payables	10	(2,597)	(2,109)
Provisions	11	(377)	(166)
Total current liabilities		(2,974)	(2,275)
Total assets less current liabilities		20,021	18,374
Non-current liabilities			
Provisions	11	(406)	(364)
Other payables	10	(228)	-
Total non-current liabilities		(634)	(364)
Total assets less total liabilities		19,387	18,010
Taxpayers' equity and other reserves			
General Fund		11,890	12,313
Revaluation Reserve		7,497	5,697
Total equity		19,387	18,010



Stephen Martin
Chief Executive and Accounting Officer

26 June 2023

The notes on pages 80 to 104 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Agency during the reporting period. The statement shows how the Agency generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Agency. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Agency's future public service delivery.

	Note	2022-23 £000	2021-22 £000
Cash flows from operating activities			
Net expenditure for the year		(15,761)	(15,756)
Adjustment for non-cash transactions	3	1,677	1,224
Decrease/(Increase) in trade and other receivables	9	12	(18)
Increase/(Decrease) in trade and other payables	10	183	(229)
Use of provisions	11	(22)	(41)
Net cash outflow from operating activities		(13,911)	(14,820)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(263)	(132)
Purchase of intangible assets	6	-	(1)
Net cash outflow from investing activities		(263)	(133)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		14,466	14,902
Capital element of payments in respect of finance leases		(376)	-
Net financing		14,090	14,902
Net (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(84)	(51)
Receipts due to the Consolidated Fund		-	168
Payments of amounts due to the Consolidated Fund		-	(168)
Net (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(84)	(51)
Cash and cash equivalents at the beginning of period	8	(71)	(20)
Cash and cash equivalents at the end of period	8	(155)	(71)

The notes on pages 80 to 104 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the Agency, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the Agency, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2021		12,212	4,683	16,895
Net Assembly Funding		14,902	-	14,902
Comprehensive net expenditure for the year		(15,756)	1,263	(14,493)
Auditor's remuneration		19	-	19
Other notionals		687	-	687
Transfer between reserves		249	(249)	-
Balance at 31 March 2022		12,313	5,697	18,010
Net Assembly Funding		14,466	-	14,466
Comprehensive net expenditure for the year		(15,761)	2,044	(13,717)
Auditor's remuneration		19	-	19
Other notionals		609	-	609
Transfer between reserves		244	(244)	-
Balance at 31 March 2023		11,890	7,497	19,387

The notes on pages 80 to 104 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 Youth Justice Agency Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in the year and the preceding year in dealing with items considered material in relation to the accounts unless otherwise stated.

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, intangible assets and certain financial assets and liabilities.

The accounts are stated in sterling, which is the Agency'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

Expenditure on property, plant and equipment of over £1,000 is capitalised. Where material 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 Property, Plant and Equipment, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue spend.

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment are carried at fair value.

Land and buildings are subject to professional valuation at least once every five years and are re-valued using indices in the intervening years. Properties regarded by the Agency as operational are valued on the basis of existing use, or where this cannot be assessed because there is no market for the property, its depreciated replacement cost. Properties regarded by the Agency as non-operational are valued on the basis of open market value, and where a sale is probable, disclosed as Assets Held for Sale.

1.3 Intangible assets

Expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets.

All intangible assets are carried at fair value. Software licences are revalued annually using appropriate indices provided by the Office for National Statistics.

1.4 Revaluation Reserve

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.

1.5 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated/amortised 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 when the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Land	No depreciation
Buildings	Up to 55 years
Vehicles, plant and machinery	4 - 15 years
Information Technology	3 - 10 years
Intangible Assets	5 years

1.6 Realised element of depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the revalued 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.

1.7 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 property, plant and equipment and intangible assets. VAT is recoverable on a Departmental basis.

1.8 Provisions

Provision is made 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.

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age and in some cases for the lifetime of the retired staff member and his/her spouse. For all new early retirement cases, the Agency provides in full for the cost of meeting pensions up to normal retirement age. The total cost is recognised in the year the decision is taken.

1.9 Contingent liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Agency discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the Agency's control, unless their likelihood is considered to be remote.

In addition, the Agency discloses for Assembly 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 Assembly in accordance with the requirements of 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.

1.10 Third-party assets

Third-party assets are assets for which the Agency acts as custodian or trustee, but in which neither the Agency nor Government more generally has a direct beneficial interest. Third-party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Agency's third-party assets are provided in Note 17.

1.11 Financing

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

1.12 Classification of Income and Expenditure

The Statement of Comprehensive Net Expenditure for the Agency only includes programme income and expenditure. The classification of income or expenditure as programme follows the definition set by the Department of Finance (DoF).

1.13 Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Agency is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Agency: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods and services

Revenue from the sale of goods and services is recognised either:

- at the point in time when the customer obtains control of the goods, which is generally at the time of delivery; or
- over time as the services are rendered based on either a fixed price or an agreed rate.

Other operating income

Other operating income is income which relates directly to the operating activities of the Agency including:

Rental income

Rent revenue from properties is recognised on a straight-line basis over the lease term.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

1.14 Staff costs

Under IAS19 (revised) 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 reporting date.

1.15 Pension costs

Employees of the Agency are covered by the provisions of the NICS pension arrangements.

The NICS pension arrangements are defined benefit schemes which are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, the Agency recognises the contributions payable for the year.

Further details are contained in the Staff Report and Note 2 to the Accounts.

1.16 Leases

IFRS 16 Leases has been implemented from 1 April 2022. It largely removes the distinction between operating and finance leases and introduces a single lease accounting model for lessees. A lessee is required to recognise ('right-of-use') assets and liabilities for all leases (apart from the exemptions listed below). This replaces the previous standard, IAS 17 Leases, representing a change in accounting policy applied in accordance with IAS 1 and IAS 8 as adapted by the FReM.

Implementation and assumptions

The Agency has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 Leases. The cumulative effect of adopting IFRS 16 is included as an adjustment to equity at the beginning of the current period. IAS 17 operating leases are included within the Statement of Financial Position (SoFP) as a lease liability and right of use asset for the first time with changes made through the General Fund as a cumulative catch-up adjustment where necessary.

The Agency has expanded the definition of a lease to include arrangements with nil consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition. On transition, any differences between the discounted lease liability and the right of use asset are included through cumulative catch. Any differences between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income in the Statement of Comprehensive Net Expenditure (SoCNE).

The Agency has elected not to recognise right of use assets and lease liabilities for the following leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and
- leases with a lease term of 12 months or less.

1.16 Leases (continued)

Previous treatment

In the comparative period, as a lessee the Agency classified leases that transferred substantially all the risks and rewards of ownership as finance leases. The leased assets were measured at an amount equal to lower of the fair value and the present value of minimum lease payments.

Leases other than finance leases were classified as operating leases. Assets previously held as operating leases were not recognised in the Agency's SoFP. Payments were recognised in the SoCNE on a straight-line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2022

At inception of a contract, the Agency assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, the Agency assesses whether:

- the contract involves the use of an identified asset;
- the Agency has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the Agency has the right to direct how and for what purpose the asset is used for.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

The Agency as a lessee

Right of use assets

The Agency recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

1.16 Leases (continued)

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets. The Agency applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (0.95% for leases recognised in 2022, 3.51% for those in 2023).

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Agency estimates of the amount expected to be payable under a residual value guarantee, or if the Agency changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Agency is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Agency is reasonably certain not to terminate early.

At the commencement of a lease (or on the date of transition to IFRS 16, if later), the Agency recognises a right of use asset and a lease liability.

The Agency as a lessor

Where the Agency acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised in the SoCNE on a straight-line basis.

1.16 Leases (continued)

Impact on financial statements

On transition to IFRS 16, the Agency recognised an additional £0.540m of right of use assets and £0.520 m of lease liabilities. The difference of £0.020m relates to prepaid lease payments at 1 April 2022.

Reconciliation from IAS 17 to IFRS 16

This table reconciles the amounts of operating lease commitments as at 31 March 2022, to the lease liabilities as at 1 April 2022 immediately following adoption of IFRS 16.

	<u>£000</u>
Closing operating leases disclosed at 31 March 2022	902
<i>Adjustments from IAS 17 to IFRS 16:</i>	
Impact of discounting	(3)
Short term and low value leases	(8)
Leases entered into in 2022-23 included above	(351)
Prepaid leases at 1 April 2022	(20)
IFRS 16 opening balance lease liabilities at 1 April 2022	<u>520</u>

1.17 Notional charges

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

1.18 Segmental reporting

In line with the provisions of IFRS 8, Operating Segments, the Agency does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments. This conclusion is based on the Agency's current system/format of internal management reporting to the Agency's Chief Executive and Management Board, who consider financial performance at the Agency level.

1.19 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 the Agency becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Agency 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.

1.19 Financial instruments (continued)

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.

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 interest rate 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 subject to insignificant risk of changes in value and have an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

Impairment of financial assets

The Agency 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.

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 rate method.

1.20 Critical accounting estimates and key judgements

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

1.20 Critical accounting estimates and key judgements (continued)

Depreciation of property, plant and equipment and amortisation of intangible assets

Depreciation and amortisation are 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 1.5.

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 of the recoverable amount of that asset is undertaken.

Other than as noted above, no material accounting estimates or judgements were made by the Agency in preparing these accounts.

1.21 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2022-23 financial year

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the Agency's accounting periods beginning on or after 1 April 2022 or later periods, but which the Agency has not adopted early. The Agency considers that these are not relevant or material to its operations.

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

The Agency has considered those new Standards, interpretations and amendments to existing Standards which have been published but are not yet effective, nor adopted early for these Accounts. The Agency considers that these are either not relevant or material to its operations.

1.23 Financial reporting - future developments

The Agency has considered the accounting initiatives identified by HM Treasury and Department of Finance covering potential changes and projects where standards, amendments or interpretations are in development. The Agency considers that these changes are either not relevant or material to its operations.

1.24 Prior year restatement

Northern Ireland departments are implementing the Review of Financial Process (RoFP) in 2022-23. The aim of RoFP is to align the boundaries of Budgets, Estimates and Accounts as far as it is practicable, including consolidation of Non-Departmental Public Bodies and other central government bodies in Estimates and Accounts.

Costs associated with the provision of shared services, or services provided by one department or agency to another, are notionally charged. Under RoFP, this would result in a misalignment due to notional costs being recorded in Accounts and Estimates but not in Budgets.

DoF has therefore issued guidance for departments and agencies to adapt the presentation of notional costs on the Statement of Comprehensive Net Expenditure. Notional costs will now be shown below 'Net expenditure for the year', followed by a new total of 'Net expenditure for the year including notionals'.

The impact of this change on comparative disclosures for 2021-22 is shown below.

<u>Statement of Comprehensive Net Expenditure</u>	Published Accounts	Reclassifi- cation of Notionals	Restated
	2021-22 £000	£000	2021-22 £000
Revenue from contracts with customers	(2)	-	(2)
Other operating income	(107)	-	(107)
Total operating income	(109)	-	(109)
Staff costs	10,935	-	10,935
Purchase of goods and services	4,412	(706)	3,706
Depreciation and amortisation charges	755	-	755
Provisions expense	(251)	-	(251)
Total operating expenditure	15,851	(706)	15,145
Net operating expenditure	15,742	(706)	15,036
Finance expense	14	-	14
Net expenditure for the year	15,756	(706)	15,050
Audit notional costs	-	19	19
Other notional costs	-	687	687
Total notional costs	-	706	706
Net expenditure for the year including notionals	15,756	-	15,756

2. Programme expenditure

		2022-23	2021-22
	Note	£000	*Restated £000
Staff costs**			
Wages and salaries		7,658	7,887
Social security costs		825	807
Other pension costs		2,169	2,241
		10,652	10,935
Purchase of goods and services			
Accommodation costs, maintenance and utilities		1,526	1,333
IT, communications and office services		113	96
Consumables, equipment and transport costs		19	35
Contracted out and managed services		508	458
Professional and consultancy costs		104	91
Client and other programme operating costs		947	1,032
Rentals under operating leases		54	431
Staff related costs		267	229
Other costs		7	1
Auditor's remuneration***		1	-
		3,546	3,706
Non-cash items:			
(Profit)/loss on disposal of non-current assets	5, 6	-	-
		3,546	3,706
Depreciation and impairment charges			
Depreciation	5	1,130	748
Amortisation	6	7	7
		1,137	755
Provisions expense			
Provided in year	11	5	40
Written back in year	11	(46)	(291)
		(41)	(251)
Finance expense			
Interest payable and similar charges		6	-
Borrowing costs on provisions	11	(47)	14
		(41)	14
Programme expenditure		15,253	15,159

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.24 for further details.

** Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

*** Audit fee for National Fraud Initiative.

3. Non-cash costs

		2022-23	2021-22
	Note	£000	*Restated £000
Purchase of goods and services	2	-	-
Notional costs		628	706
Depreciation and impairment charges	5, 6	1,137	755
Provisions expense	11	(41)	(251)
Finance expense	11	(47)	14
		1,677	1,224

* Prior year figures have been restated to reclassify notional costs in line with guidance from Department of Finance - see Note 1.24 for further details.

4. Income

		2022-23	2021-22
		£000	*Restated £000
Revenue from contracts with customers			
Sales of goods and services		4	2
		4	2
Other operating income			
Rental income		49	49
Other non-trading income		67	58
		116	107
Total operating income		120	109

* Prior year figures have been restated to reclassify items within Other operating income

5. Property, plant and equipment

2022-23

	Land £000	Buildings £000	Vehicles, Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2022	300	19,699	1,662	182	21,843
IFRS 16 leases opening adjustment	-	540	-	-	540
Additions	-	713	207	11	931
Disposals	-	-	(66)	-	(66)
Revaluation	-	1,324	99	2	1,425
At 31 March 2023	300	22,276	1,902	195	24,673
Depreciation					
At 1 April 2022	-	-	1,250	158	1,408
Charged in year	-	1,047	76	7	1,130
Disposals	-	-	(66)	-	(66)
Revaluation	-	(654)	35	1	(618)
At 31 March 2023	-	393	1,295	166	1,854
Carrying amount at 31 March 2023	300	21,883	607	29	22,819
Carrying amount at 31 March 2022	300	19,699	412	24	20,435
Asset financing:					
Owned	300	21,023	607	29	21,959
Finance leased	-	860	-	-	860
Carrying amount at 31 March 2023	300	21,883	607	29	22,819

Property, plant and equipment are held at fair value in accordance with IAS16. The Agency owns all of its assets and has no finance leases or PFI contracts.

Land and Buildings are independently valued by the Land and Property Service (LPS) at least every five years, in accordance with the Appraisal and Valuation Standards (the Red Book 5th edition) of the Royal Institution of Chartered Surveyors. The last full valuation was carried out by LPS as at 31 March 2023. LPS valued the land and building at Juvenile Justice Centre at depreciated replacement cost using BCIS indices.

Other plant and equipment are adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

5. Property, plant and equipment (continued)

2021-22

	Land £000	Buildings £000	Vehicles, Plant and Machinery £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2021	300	19,021	1,576	166	21,063
Additions	-	113	43	14	170
Disposals	-	-	(2)	-	(2)
Revaluation	-	565	45	2	612
At 31 March 2022	300	19,699	1,662	182	21,843
Depreciation					
At 1 April 2021	-	-	1,162	150	1,312
Charged in year	-	673	69	6	748
Disposals	-	-	(2)	-	(2)
Revaluation	-	(673)	21	2	(650)
At 31 March 2022	-	-	1,250	158	1,408
Carrying amount at 31 March 2022	300	19,699	412	24	20,435
Carrying amount at 31 March 2021	300	19,021	414	16	19,751
Asset financing:					
Owned	300	19,699	412	24	20,435
Finance leased	-	-	-	-	-
Carrying amount at 31 March 2022	300	19,699	412	24	20,435

6. Intangible assets

	2022-23	2021-22
	£000	£000
Cost or valuation		
At 1 April	37	33
Additions	-	1
Disposals	-	-
Revaluation	5	3
At 31 March	42	37
Amortisation		
At 1 April	23	14
Charged in year	7	7
Disposals	-	-
Revaluation	4	2
At 31 March	34	23
Carrying amount at 31 March	8	14
Asset financing:		
Owned	8	14
Carrying amount at 31 March	8	14

Intangible assets are adjusted to their current value by reference to the appropriate indices compiled by the Office for National Statistics.

7. Financial instruments

As the cash requirements of the Youth Justice Agency are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

8. Cash and cash equivalents

	2022-23 £000	2021-22 £000
Balance at 1 April	(71)	(20)
Net change in cash and cash equivalent balances	(84)	(51)
Balance at 31 March	(155)	(71)
The following balances at 31 March are held at:		
NI banking pool	(157)	(73)
Cash in hand	2	2
Balance at 31 March	(155)	(71)

Balances for Cash and cash equivalents are disclosed in the Statement of Financial Position as follows:

	Note	2022-23 £000	2021-22 £000
Current assets		2	2
Current liabilities	10	(157)	(73)
Total		(155)	(71)

9. Trade receivables, financial and other assets

	2022-23 £000	2021-22 £000
Amounts falling due within one year:		
VAT recoverable	122	79
Trade receivables	26	7
Other receivables	7	56
Prepayments and accrued income	11	56
	166	198

10. Trade payables, financial and other liabilities

	Note	2022-23 £000	2021-22 £000
Amounts falling due within one year:			
Bank overdraft	8	157	73
Trade payables		8	20
Other payables		796	857
Accruals and deferred income		1,370	1,159
Current part of lease liabilities	12	266	-
		2,597	2,109
Amounts falling due after one year			
Leases	12	228	-
		228	-
Total		2,825	2,109

11. Provisions for liabilities and charges

	Early retirement	Legal claims	Lease dilapidation	2022-23 £000 Total
Balance at 1 April 2022	282	248	-	530
Provided in the year	-	5	363	368
Provisions not required written back	(14)	(32)	-	(46)
Provisions utilised in the year	(17)	(5)	-	(22)
Borrowing costs	(47)	-	-	(47)
Balance at 31 March 2023	204	216	363	783
				2021-22 £000 Total
Balance at 1 April 2021	281	527	-	808
Provided in the year	8	32	-	40
Provisions not required written back	(4)	(287)	-	(291)
Provisions utilised in the year	(17)	(24)	-	(41)
Borrowing costs	14	-	-	14
Balance at 31 March 2022	282	248	-	530

11.1 Analysis of expected timing of discounted flows

				2022-23 £000
	Early retirement	Legal claims	Lease dilapidation	Total
Not later than one year	19	129	229	377
Later than one year and not later than five years	61	87	134	282
Later than five years	124	-	-	124
Balance at 31 March 2023	204	216	363	783
				2021-22 £000
	Early retirement	Legal claims	Lease dilapidation	Total
Not later than one year	19	147	-	166
Later than one year and not later than five years	70	101	-	171
Later than five years	193	-	-	193
Balance at 31 March 2022	282	248	-	530

11.2 Early retirement costs - £0.204m (2021-22: £0.282m)

This provision relates to inherited pension costs associated with the early departure of staff in the years prior to the creation of the Agency and benefits payable in respect of loss of earning capacity (or loss of support in respect of a death).

The pension costs are payable to NILGOSC and are payable over the lifetime of the retired staff member and his/her spouse (where applicable).

All benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) are charged to the Agency by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. Provision is made for the costs of providing injury awards to employees based on the current number of injury awards and the estimated life expectancy.

11.3 Legal claims - £0.216m (2021-22: £0.248m)

This provision relates to potential compensation payments and associated legal costs of staff personal injury claims and industrial tribunal cases against the Agency.

Other legal issues

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 but the Supreme Court judgment has not yet been issued. The 2022-23 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020.

There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- the appeal to the Supreme Court (as detailed above);
- lack of accessible data for years previous to 2011; and
- ongoing negotiations with Trade Unions.

11.4 Lease dilapidation - £0.363m (2021-22: Nil)

This provision relates to dilapidation costs which are an estimate of the expenditure required to return vacated leased buildings to their original condition as at the date of commencement of the lease.

12. Leases - Right of use assets

IFRS 16 Leases has been implemented from 1 April 2022 which introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. This replaces the previous standard, IAS 17. Further details are disclosed in Note 1.16.

12.1 Quantitative disclosures around right of use assets

Non-current assets, as recorded in the Statement of Financial Position, include the following amounts for leased right of use assets:

	Land & Buildings £000	Plant and Machinery £000	Information Technology £000	2022-23 Total £000
Balance at 1 April 2022	540	-	-	540
Additions in period	714	-	-	714
Depreciation charged in year	(393)	-	-	(393)
Balance at 31 March 2023	861	-	-	861

12.2 Quantitative disclosures around lease - maturity analysis

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

	2022-23 £000	2021-22 £000
Buildings		
Not later than one year	269	
Later than one year and not later than five years	231	-
Later than five years	-	-
	500	-
Less: interest element	(6)	-
Present value of lease obligations	494	-
Current portion	266	-
Non-current portion	228	-
	494	-

12. Leases - Right of use assets (continued)**12.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure**

	2022-23 £000	2021-22 £000
Variable lease payments not included in lease liabilities	-	-
Sub-leasing income	(49)	-
Expense related to short-term leases	45	-
Expense related to low value leases (excluding short-term leases)	9	-
Total	5	-

12.4 Quantitative disclosures around cash outflows for leases

	2022-23 £000	2021-22 £000
Total cash outflow for leases	376	-

13. Capital commitments

	2022-23 £000	2021-22 £000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	12	-
Total	12	-

14. Other financial commitments

The Agency has entered into non-cancellable contracts (which are not lease or PFI contracts) for reception, security duties and planned maintenance at the Juvenile Justice Centre and service fees relating to its leasehold properties. Total future commitments are shown in the table below analysed according to the period in which the payments fall due.

	2022-23 £000	2021-22 £000
Not later than one year	491	383
Later than one year and not later than five years	1,298	591
Total	1,789	974

15. Contingent liabilities

The Agency's contingent liabilities have been outlined below on the basis that amounts 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 Agency's control.

The Agency is currently contesting a number of personal injury or industrial tribunal claims brought by staff or young people. Provision has been made in these financial statements for cases where it is considered probable that payment may be made in the future (see Note 11 for further details). However, there are cases which have not been provided for as the Agency does not consider it likely that payment will be made e.g. because it expects that the Agency will be able to successfully defend these cases.

Public Sector Pensions - Injury to Feelings Claims

The Department of Finance is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service departments. This is an extremely complex case and may have significant implications for the NICS and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

16. Related party transactions

The Youth Justice Agency is an Executive Agency of the Department of Justice. During the year, the Agency had various material transactions with the Core Department and other agencies within the Department including Forensic Science Northern Ireland, Northern Ireland Prison Service and Northern Ireland Courts and Tribunals Service.

The Agency also had various material transactions with other entities for which the Department of Justice is regarded as the parent Department including Probation Board for Northern Ireland. In addition, the Agency had various transactions with other government departments and central government bodies. Most of these transactions have been with the Department of Health (DoH) and Department of Finance (DoF).

None of the members of the Management Board or key management of the Agency had any material personal transactions with the Agency. A Non-Executive Member is also a Non-Executive Director of the Southern Health and Social Care Trust. During 2022-23, the Agency paid £28,500 (2021-22: ££27,500) to the Trust. All transactions were conducted at arm's length.

17. Third-party assets

Youth Conference Compensation

Where a youth conference plan requires a young person to compensate a victim, the money is collected by the Agency and held in a separate bank account until it is paid over to the victim. The Youth Conference Compensation Account has a balance of £3,514 as at 31 March 2023 (2021-22: £3,488).

Young Persons Cash

The young people in custody have a private cash facility for the lodgement of their pocket money and for funding tuck-shop purchases. When the young people are discharged, they are paid in full the balance on their account in cash. The balance held at 31 March 2023 is £341 (2021-22: £666).

Young Person Trust Account

The Trust Account was set up with donations for the benefit of young people. The donations were invested in a Trust Account, which has a balance of £583 at 31 March 2023 (2021-22: £444).

Assets held

The monies noted above are not included within the Agency's assets as they do not belong to the Agency. The assets held at the reporting period date to which it was practical to ascribe monetary values are set out in the table below:

	31 March 2022 £000	Gross Inflows £000	Gross Outflows £000	31 March 2023 £000
Monetary assets such as bank balances	4	19	(19)	4

18. Events after the reporting period

There were no events after the reporting period date that required adjustment to or disclosure in these financial statements.

Date for authorisation of issue

The Accounting Officer authorised these financial statements for issue on 29 June 2023.

OTHER

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