

Annual Report and Accounts

2005 - 2006

Criminal Justice Inspection
Northern Ireland
a better justice system for all



Annual Report and Accounts 2005-06

Criminal Justice Inspection Northern Ireland Annual Report
and Statement of Accounts 2005/06 together with the report
of the Comptroller and Auditor General

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Annual Report and Accounts 2005-06

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Chief Inspector's Report



Kit Chivers

The criminal justice system in Northern Ireland is poised at a turning point. The Troubles – mercifully – are steadily retreating into the past, and it is clear that the future is going to be very different in all manner of ways, even if we do not yet know what form the constitutional settlement will take.

There are still echoes of the past, however. The level of paramilitary activity is much reduced, if not quite extinguished; but there continues to be criminal activity, as the International Monitoring Committee (IMC) has reported by members or former members of paramilitary organisations on their own initiative. This reflects a persistent culture of lawlessness in parts of Northern Ireland society which will not be eliminated quickly. Even when all parties are represented on the Policing Board, it will still be a major

task for the Police Service of Northern Ireland (PSNI) to establish more normal community-police relationships in some quarters.

The Good Friday Agreement was the catalyst for fundamental changes in the criminal justice system designed to make it fit for the post-conflict situation. Consequent upon the Agreement, the Patten reforms transformed the police service, turning it into the PSNI, where 50:50 recruitment has already increased the proportion of Catholics to 19.49% on 1 April 2006 from 8.28% in November 2001.¹ The Justice (Northern Ireland) Act 2002 turned the Office of the Director of Public Prosecutions into a much larger Public Prosecution Service, responsible for nearly all prosecutions, including those formerly brought by the police. A new Youth Justice Agency was established, bringing together juvenile custody with diversionary services in the community and the new Youth Conferencing Service, which is at the cutting edge of practice in restorative conferencing.

But alongside these radical and important changes, which have been carefully documented by the Justice Oversight Commissioner Lord Clyde and

the Policing Oversight Commissioner Al Hutchinson, many aspects of the criminal justice system have remained unchanged and unimproved. Even where change has happened, there is further to go. In particular, in many parts of the criminal justice system equity monitoring is not as advanced as it should be and although there has been progress there is more to be done to achieve a balanced workforce. There has been a significant reduction in the size of the PSNI, from 7,173 regular officers and 3,322 full and part-time reserve officers on 4 November 2001 when PSNI was established to 7,284 regulars and 1,808 reserves on 4 April 2006.² However the PSNI is still large compared to forces in other jurisdictions. Further downsizing will be required at some stage, though it cannot be allowed to get ahead of the improving security situation.

Likewise staff numbers in the Prison Service are much reduced since the closure of the Maze in 2000, but they are still high compared with other jurisdictions in terms of officers per prisoner place. On 1 April 2006 there were 1,400 prisoners in Northern Ireland and 1,667 Prison Officer grades,³ or 1.2 officers per prisoner compared with

1 PSNI Chief Constable's Annual Report 2005-06

2 PSNI August 2006

3 Northern Ireland Prison Service, August 2006

0.7 staff per prisoner in public sector prisons in England & Wales.⁴ The ratios are, however, beginning to improve a little as a consequence of rising prisoner numbers.

In both the police and the prisons limited progress has been made in civilianising posts and introducing ancillary grades, which are now extensively used in English and Welsh prisons. Trade union power, which has moderated elsewhere in the UK, remains strong in Northern Ireland and has preserved comparatively high levels of staffing and remuneration in the criminal justice sector.

The criminal justice system in Northern Ireland is, as a result, extremely expensive. Many services are more costly per head of population than in Great Britain or the Republic of Ireland. This is despite the fact that Northern Ireland is by most standards, a low-crime region with a lower rate of recorded crime per 100,000 of the population than the rest of the UK. Its overall 2005/06 crime rate (7,203) was just over two thirds (68.4%) of the 2004/05 rate in England and Wales (10,537).⁵

The pattern of crime in Northern Ireland is different from other areas with a higher

proportion of the most serious violent crime (see Tables 1 & 2). Offences associated with drink-fuelled disorder – assaults and criminal damage – are on the increase, as in other jurisdictions, even while more serious crime declines. As Northern Ireland becomes more like other places, the case for ‘normalising’ the criminal justice system through downsizing and contracting out functions will become increasingly hard to resist.

There are many examples of good practice in Northern Ireland. I have already mentioned the Youth Conferencing Service, but the whole approach to young offenders and diversion from the courts is extremely progressive. It is pleasing to see such comparatively small numbers of juveniles (and even more strikingly, women) in custody. The independent complaints service provided by the Police Ombudsman is

Table 1 – Crime patterns in Northern Ireland and England & Wales

| | Northern Ireland 05/06 | | England & Wales 05/06 | |
|----------------------|------------------------|-----------------------|-----------------------|-----------------------|
| | Offences Recorded | % Increase from 04/05 | Offences Recorded | % Increase from 04/05 |
| Total Recorded Crime | 123,194 | +4.3% | 5,556,500 | -1% |
| Violent Crime Total | 34,408 | +5.8% | 1,220,198 | +2% |

Sources: PSNI Statistical Report 2005-06 Recorded Crime Summary and Table 1.2 & Home Office Statistical Bulletin Crimes in England & Wales 2005/06

Table 2 – Violent crime compared to total recorded crime

| | Northern Ireland | England & Wales |
|---|------------------|-----------------|
| Violent crime as a percentage of total recorded crime | 28% | 22% |

Sources: PSNI Statistical Report 2005-06 Recorded Crime Summary and Table 1.2 & Home Office Statistical Bulletin Crimes in England & Wales 2005/06

⁴ Her Majesty's Prison Service Annual Report 2005

⁵ Criminal Justice System Northern Ireland Annual Report 2005-06

recognised internationally as best practice. Another particular asset in Northern Ireland is the strength of the voluntary and community sector here, which makes an invaluable contribution to the criminal justice system.

On the other hand, there are unacceptable delays in the criminal justice system in Northern Ireland, (see Table 3) and the regimes offered by the prisons in terms of purposeful activity designed to rehabilitate the offender are poor.

offenders (and particularly sex offenders) who have been released from prison under licence. There are issues both of sentencing policy and of public protection practice by the agencies concerned. Steps clearly need to be taken to restore public confidence in the system. CJI has done some work in this area already as part of its inspection into the management of sex offenders in 2005 but it will be a priority for further work in the coming year.

Northern Ireland from April 2003 until the end of June 2005 and 7,755 people have registered under the worker Registration Scheme.⁷

This is posing a number of challenges and there are signs that factions in the North are transferring their animosity on to the newcomers, leading to an increase in racially motivated attacks. Hate crime of all sorts – racial, sectarian, homophobic or disability-related – is a special priority for the criminal justice agencies

Table 3 – Delay in the Criminal Justice System⁶

| Type of Case | Northern Ireland | England & Wales |
|--|------------------|-----------------|
| Crown Court Defendants Remand to disposal | 360 days | 214 days |
| Adult magistrates court defendants Charge/summons to disposal | 113 days | 61 days |
| Youth magistrates' court defendants Charge/summons to disposal | 134 days | 55 days |

There continue to be certain areas of acute concern to the public. The minor public order offences known as 'anti-social behaviour' are one of these. Another, fuelled by a small number of tragic cases which gained widespread public sympathy, is the issue of public protection from dangerous

One striking change which is happening both here and in the Republic is the increase in the number of workers coming from abroad, especially from the new member states of the European Union. A total of 31,421 non-UK or Republic of Ireland Nationals applied for National Insurance numbers in

at present, and CJI is currently undertaking its own review of the problem.

The prospects for devolution remain, as they have for some years, entirely uncertain. It seems likely, however, that if the Assembly is able to form an Executive, responsibility for

⁶ Data published in CJI Avoidable Delay Report May 2006

⁷ Watt, P., and McGaughey, F., (2006) How public authorities provide services to minority ethnic groups – emerging findings discussion paper.

criminal justice will be devolved to it within a fairly short interval. CJI would see great advantage in devolution from the point of view of carrying forward the necessary reforms in the criminal justice system. The Secretary of State and his Ministerial colleagues are driving things forward with great energy, but there are some decisions about local priorities (especially budgetary priorities) that can, in the long run, only properly be made by locally elected politicians. In addition CJI would welcome the greater accountability which the criminal justice agencies will face when they are subject to questioning by Members of the Assembly.

CJI is dedicated to assisting the agencies of the criminal justice system to improve their services and the value for money they offer to the taxpayer. Inspectors believe that inspecting alongside the agencies as a 'critical friend' is the way to deliver improvement. There is already evidence of some success resulting from the Action Plans agreed with agencies – though the credit for improvement belongs to the agencies, not to CJI. An extensive programme of future work has been published in CJI's Corporate and Business Plans, which are available on the website – www.cjini.org.

For the future, there are some small extensions of CJI's remit which will shortly be put before Parliament and there is no shortage of interesting and important work to be undertaken. CJI aims to continue to be a small Inspectorate, with just nine people engaged in inspection and six support staff. It will continue to depend on the assistance of Inspectorates from other jurisdictions – particularly the criminal justice inspectorates of England and Wales. It will also take every opportunity to co-operate with colleagues in the Republic of Ireland, including the newly appointed Inspector of An Garda Síochána, Commissioner Kathleen O'Toole.



Kit Chivers

*Chief Inspector of Criminal Justice
in Northern Ireland*

Management Commentary



Brendan McGuigan

Background information

The Office of the Chief Inspector of Criminal Justice in Northern Ireland (CJI) was established as an executive Non-Departmental Public Body under Schedule 8 to The Justice (Northern Ireland) Act 2002.

The Chief Inspector was appointed by the Secretary of State for Northern Ireland in August 2003 to inspect or ensure the inspection of all aspects of the criminal justice system in Northern Ireland, other than the courts, and to contribute in a significant way to the efficient and effective running of the criminal justice system, while helping to guarantee that it functions in an even handed way.

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

Staffing

CJI is a small organisation with a total staffing complement of 15. Most staff including myself are employees of the Chief Inspector, Kit Chivers and 3 of the administration support team are on secondment from the Northern Ireland Office (NIO). As these support grades return to the civil service, they are being replaced by directly recruited staff.

CJI is committed to developing each member of staff so that all reach their potential. During the past year one member of the Business Support team commenced a Business Studies degree while another gained recognition as an IT specialist.

CJI promotes and maintains effective communication and consultation with its staff in order to create and sustain good morale within the organisation. We are committed to developing team working and this is achieved by holding joint training sessions, having regular staff meetings and by issuing the minutes of all meetings held within the Inspectorate. The organisation does not discriminate against staff on any grounds including disability.

As Chief Executive, I am responsible for the day to day running of the Inspectorate

including the development and management of the inspection programme. I have line management responsibility for the inspection staff and communications officer and when required, deputise for the Chief Inspector in his absence.

There were several staff changes during the year:

- Dr Marie Smyth left as Head of Research and Communications in April 2005, and took up a position at Aberystwyth University;
- Tom McGonigle transferred from the Social Services Inspectorate under TUPE arrangements in April 2005;
- Paul Mageean joined in May 2005 as an Inspector, having previously been with the Northern Ireland Court Service and the Committee on the Administration of Justice (CAJ);
- In November 2005, Linda McGookin completed her secondment as PA to the Chief Inspector and moved to the Causeway Project;
- In February 2006, Dan Mulholland left the Business Manager post to return to the NIO, where he joined the Personnel Services Division.



The CJI Team

CJI's Aims and Objectives

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

We will achieve this by:

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

- Communicating regularly and effectively with all its stakeholders.

Underpinning these aims CJI's objectives are to:

- Carry out the inspection programme approved by the Secretary of State;
- Carry out inspections of the community-based restorative justice schemes, if invited to do so by Ministers;
- Undertake other pieces of work which the Secretary of State may request;
- Carry out Action Plan reviews of completed inspections.

Reports and Accounts

I am also the Accounting Officer for the organisation and as such am responsible for the preparation of accounts and maintaining a sound system of internal control that supports the achievement of CJI's policies, aims and objectives, while safeguarding the public funds and CJI's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

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

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

Disclosure to Auditors

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

The accounts are audited by the Comptroller and Auditor General. Audit fees for 2005-06 are set at £5,000.

Principal Risks

CJI has conducted a risk analysis examining a wide range of possible risks to the organisation and to the delivery of its objectives. The main risks in practice are seen as:

- **Personnel risk:** The danger of losing key staff, with the associated loss of expertise.
- **Reputational risk:** The danger that CJI might be seen as partisan in its approach.
- **Relations with Agencies:** The danger that agencies may fail to offer reasonable co-operation and that CJI may get into protracted debates about draft reports which delay their publication.
- **Relations with the community:** The danger that voluntary and community-based organisations may be unwilling to engage, impeding CJI's programme of outreach.

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

Review of Activities

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

CJI will take that in two stages:

1. Collecting data in advance, and forming provisional judgements as to the strengths and weaknesses of the organisation.
2. Testing those judgements in the inspection, finalising them and turning them, where appropriate, into recommendations.

CJI does not believe that the most productive way to promote improvement is by 'naming and shaming' agencies. There may be occasions when the work of an agency is of such a poor standard and when it shows neither the will nor capacity to improve, when the Inspectorate would have no option but to state publicly that the position was unacceptable. Most of the time however, CJI works in partnership with the agencies, on the basis that their managers share the common aim of improvement.

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

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

Each inspection starts by seeking the views of the agency's partners in the criminal justice system and the community on the agency's performance. This is followed by inviting the agency itself to self-assess against the common core framework, identifying as honestly as possible its own strengths and weaknesses – not for use against it, but as a token of its commitment to inspection as an aid to improvement.

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

The accounts for the year ended 31 March 2006 have been prepared on an accruals basis.

The financial position at the year end is set out in the Income and Expenditure Account included on page 32.

Revenue Grant-in-Aid for the period was £1,336,800 and the total revenue expenditure was £1,277,718 leaving an operating surplus of £59,082.

In 2004/05 there was an operating deficit of £347,279 due to the fact that for six months of the year the organisation was funded by Grant-in-Aid but for the other six months it was deficit funded.

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

The Office of CJI is committed to the prompt payment of bills for goods and services received, in accordance with the Confederation of British Industry's Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or

presentation of a valid invoice or similar demand, whichever is the later. During the year ended 31 March 2006 99.6% of invoices received were paid within 30 days of receipt.

Details of how pension liabilities are treated can be found in the accounting policy note 1(h) on page 36.

Register of Interests

All staff members are required to provide information of personal or business interests that might be perceived by a reasonable member of the public to influence their judgement in the exercise of their public duty.

CJI maintains a Register of Interests which is available for public inspection.

Remit of Criminal Justice Inspection

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

- Police Service of Northern Ireland
- Forensic Science Northern Ireland
- State Pathologist's Department
- Public Prosecution Service for Northern Ireland
- Probation Board for Northern Ireland

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

Corporate ethos

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

It aims to be a good employer, but a disciplined one. Although the terms and conditions of staff are basically those of the

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

The health and wellbeing of staff will be a paramount concern.

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

Corporate values

CJI will at all times:

- Conduct inspections and reports with honesty and impartiality, basing its findings upon evidence;
- Be open about its practices and procedures and about the expectations against which judgements are made;
- Publish all its reports and make all its papers freely available, subject to the normal exceptions for security and personal information;
- Encourage self-assessment, and make improvement the main purpose of all its inspections;

- Work in a non-adversarial, consultative and interactive way, collaborating wherever possible with other agencies and Inspectorates;
- Aim to minimise the demands it makes on those inspected;
- Treat people courteously, fairly and without discrimination, valuing diversity and promoting equality in accordance with Section 75 of the Northern Ireland Act 1998;
- Monitor and evaluate its own performance from the perspective of value for money and
- Welcome and be responsive to any complaints or other feedback from the agencies inspected.

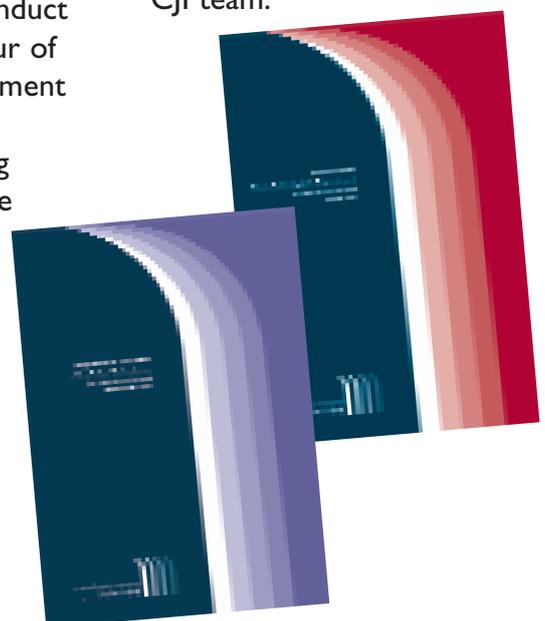
Staff are expected to comply with the standards of conduct laid down by Section Four of the Civil Service Management Code, which sets out in detail the rules governing confidentiality, acceptance of outside appointments and involvement in political activities.

Media and Communication

In 2005-06 CJI took a corporate decision to increase its media profile and place a greater emphasis on its communication strategy in future years.

CJI recognised that effective use of the media to promote the role of the agency, its inspection work throughout the criminal justice system and the remit of the Chief Inspector would both raise public awareness of CJI and help stimulate debate on criminal justice issues.

Solid foundations for this move were set in 2004-05 with the establishment of the CJI website, the publication of its newsletter *The Spec* and a programme of community visits by the Chief Inspector and other members of the CJI team.



In order to support this decision, CJI created the new post of Media and Communications Officer towards the end of 2005.

It was envisaged that a dedicated Media and Communications Officer would provide advice and support to the Chief Inspector and other members of the CJI team on media issues.

Work would also be undertaken to develop relationships with members of the media; continue the existing outreach programme by opening up lines of communication with key stakeholders and representatives of all political parties, and establishing a strong corporate identity.

Omnibus survey

In 2004-05 CJI commissioned a telephone survey of 1,000 respondents to establish how much the public knew about CJI and how well they understood its work.

A follow up survey was commissioned in early 2006 and work was carried out by Ipsos MORI. Results showed that understanding of CJI, its work and public confidence in the organisation had increased.

CJI expects that with the appointment of a dedicated Media and Communications Officer, knowledge of the



organisation will continue to grow along with greater understanding of its role in the criminal justice system.

Stakeholder conference

In January 2006, Criminal Justice Inspection held its second stakeholder conference. The theme for this event was the role of the community and voluntary sector in the criminal justice system.

Around 100 people from across the criminal justice system joined members of the community and voluntary sector for the event. It was opened by Criminal Justice Minister David Hanson MP, who highlighted the important role of the community and voluntary sector in Northern Ireland.

The conference was addressed by Olwyn Lyner from NIACRO and Conal Devitt, head of the Community Safety Unit.

The event provided CJI with an opportunity to receive feedback on its performance and its plans for future inspections.

The issue of undertaking inspection work concerning the treatment of young people and the criminal justice system was raised by conference delegates. As a result of these discussions, CJI agreed to include this theme as a regular feature of future inspection work.



Conal Devitt addresses delegates at CJI's Stakeholder Conference

Media Coverage

Media coverage in 2005-06 was limited. Press releases were issued in connection with all published reports. However at this stage CJI's primary focus was on working with agencies to establish its reputation.

It is envisaged that the level of media coverage of inspection reports will increase in the future following the appointment of a Media and Communications Officer and the corporate decision to adopt a higher media profile.

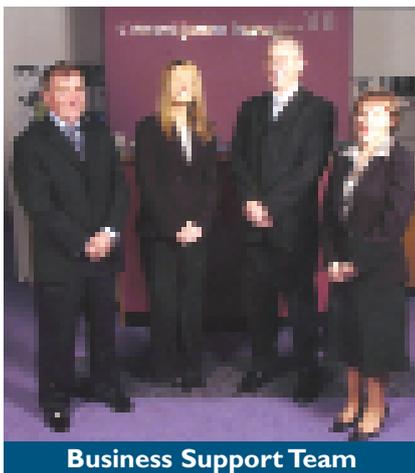
Website development

During the last year, CJI has added an online diary or Blog to its website. The Blog – which commenced in January 2006 – notes the publication of reports and key events which have involved the agency.



Business Support

CJI's Business Support Team has continued to provide a range of services to the inspection team. These include finance, personnel and IT support. With the setup of CJI mostly completed, the team has taken on a maintenance role in relation to these functions.



Business Support Team

During 2005-06 the Business Support Team established formal arrangements for internal audit, recruitment, payroll and pension, IT support, and premises maintenance. The team size reduced when the Business Manager and the Chief Inspectors PA returned to the NIO. The role of Business Manager is now undertaken by one of the Inspectors.

One of the key business learning points for CJI during 2005-06 has been that there are only limited opportunities to publish reports and lay them before Parliament, as required by legislation. CJI's reports can only be published during parliamentary sittings. This in effect excludes most of the year, as parliamentary recesses last for a total of 7 months in any year, e.g. the summer recess lasts from mid-July until mid-October. Consequently careful planning is required to ensure a smooth flow through the various stages of reporting, from draft to agreed report, to design, printing, publication, laying in both Houses of Parliament and circulating an average 400 copies of each report.



Liz McCrystal and Judith Thompson, Skills for Justice

Skills for Justice

Skills for Justice became tenants within CJI's 7th floor office space in August 2005. This is a good example of delivering the Shared Services agenda, whereby CJI was able to let out office space to a criminal justice organisation. Skills for Justice has 3 staff whose role is to analyse and respond to training needs across the criminal justice sector in Northern Ireland.



Brendan McGuigan,
Chief Executive &
Accounting Officer

29th September 2006



The Criminal Justice System in Northern Ireland

Constituents of the criminal justice system

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

- The Police Service of Northern Ireland (PSNI);
- The Public Prosecution Service (PPSNI);
- The Northern Ireland Court Service, in respect of the criminal and coroners courts (NICtS);
- The Northern Ireland Prison Service (NIPS);
- The Probation Board for Northern Ireland (PBNI) and
- The Youth Justice Agency (YJA).

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

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

By contrast there are other departments and agencies which deal with excepted matters (i.e. matters which are not able to be devolved to the Northern Ireland Assembly) such as HM Revenue and Customs, the Assets Recovery Agency and the Immigration and Nationality Department of the Home Office, which are important players in the criminal justice system that are necessarily excluded from the remit of CJI.

The Court Service is at present also excluded, though with the Lord Chancellor's agreement it participates voluntarily in thematic inspections. The Office of the Director of Public Prosecutions was outwith the Inspectorate's remit in 2004-05 but came within it on 13 June 2005 on becoming the Public Prosecution Service.

How is it managed?

Ministerial responsibility

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

- the Courts, which are the responsibility of the Lord Chancellor and Secretary of State for Constitutional Affairs, and
- the Public Prosecution Service, which reports to the Attorney General.

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



Government objectives for the Criminal Justice system

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

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

Objective 2

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

Objective 3

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

Objective 5

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

Objective 6

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

Objective 7

To ensure a cost effective prison service.

Objectives and Targets 2005-06

In this section, CJI reports on progress against its objectives and targets for 2005-06.

| Objective | Target | Achieved | Not Achieved | Result |
|---|---|----------|--------------|---|
| Inspections | | | | |
| To carry out within the year a programme of inspections recognising that not all will have been reported by the end of the year. | <i>Fieldwork for 11 out of 11 inspections completed by end of March; 8 out of 11 reported to the Secretary of State by end of March 2006.</i> | ✓ | | Partially achieved: Fieldwork for 11 inspections was completed by 31 March 2006. CJI experienced unforeseen delays in getting completed inspection reports agreed and published and as a result only 3 had been reported to the Secretary of State before the end of March. The remainder were reported in the first half of 2006-07. |
| To carry out an evaluation of each single-agency inspection in conjunction with the inspected agency. | <i>5 evaluations completed and reported by end of March 2006.</i> | | X | We conducted 3 single agency inspections during 2005/06 and carried out evaluations with each. |
| To make plans for the inspection of those agencies due to be inspected in 2006-07, developing appropriate methodologies for those agencies that have not previously been subject to inspection. | <i>Scoping Study of Regulatory Agencies suitable for inspection to be completed by summer 2005.</i> | ✓ | | Scoping study completed and published on CJI website. |

| Objective | Target | Achieved | Not Achieved | Result |
|---|---|----------|--------------|--|
| Research & Communication | | | | |
| To conduct a programme of outreach to community-based organisations, and to hold a Stakeholder Conference in January 2006. | <i>At least 10 meetings with DPPs, CSPs and other local organisations, plus the Stakeholder Conference.</i> | ✓ | | Stakeholder Conference held in January 2006. Chief Inspector and Inspection staff continued their contact with a variety of community-based organisations. |
| To publish an Annual Report for 2004-05 by October 2005. To publish quarterly newsletters to make all CJI's publications available on the CJI website. | <i>Publish the Annual Report by October 2005, publish four editions of The Spec in the course of the year, and place all CJI's publications on the website.</i> | | X | Annual Report for 2004-05 submitted to Parliament in October 2005 and printed in January 2006 to incorporate Annual Accounts. Three editions of the Spec were published during the year and all CJI's publications were placed on the website. |
| To survey public awareness of the work of CJI, evaluate the media coverage of CJI's reports, and to conduct research as necessary in support of the inspection programme. | <i>Conduct a public survey of awareness of CJI's work.</i> | ✓ | | Public survey of awareness of CJI's work completed and findings posted on website. |
| To keep up-to-date with developments in Criminal Justice and participate in Criminal Justice related conferences. | <i>Maintain subscription to Criminal Justice Journals and respond positively to requests for participation in Criminal Justice related conferences.</i> | ✓ | | Chief Inspector and Inspection staff have attended all local and a number of national Criminal Justice related conferences. |
| To ensure that CJI possesses the appropriate knowledge, skills and resources to critique data and policy in the course of inspection. | <i>Inspector's Personal Development Plans to include a focus on skills development in this area.</i> | ✓ | | Inspectors continue to identify and attend relevant courses and conferences which help develop their knowledge and skills. |

| Objective | Target | Achieved | Not Achieved | Result |
|--|---|----------|--------------|--|
| To encourage the production of high quality robust data on the criminal justice system. | <i>To identify the adequacy of available criminal justice statistical data through the inspection process and make recommendations for improvement.</i> | ✓ | | Inspection reports continue to comment on the quality and integrity of statistical data. |
| Planning & Management | | | | |
| To develop, consult upon and present to the Secretary of State by the end of March 2006 a Corporate Plan covering the three years 2006-09. | <i>Present Corporate Plan to Secretary of State by the end of March 2006.</i> | ✓ | | Corporate plan submitted in March 2006. |
| To introduce an appraisal system for staff which will incorporate a personal development programme and training needs analysis. | <i>By June 2005.</i> | ✓ | | Appraisal system introduced in April 2005. |
| To manage CJI's finances within the budget provided and to refine CJI's financial management processes to provide a cost analysis for each inspection. | <i>To stay within budget while demonstrating a proper concern for value for money.</i> | ✓ | | CJI identified substantial savings on the budget and returned £400,000 to its sponsoring department. |
| Criminal Justice Board | | | | |
| To develop CJI's relationship with the Criminal Justice Board and the organisations represented on it through continuing dialogue with its members. | | ✓ | | The Chief Inspector continues to meet regularly with the Chair of the CJB and has informal meetings with other members of the Board. |

Brendan McGuigan,
Chief Executive & Accounting Officer
 29th September 2006

Criminal Justice Inspection
Northern Ireland
a better justice system for all



Inspection Reports

This section summarises the findings of the principal reports published by CJI in 2005-2006. It should be noted that some of the major pieces of work undertaken by CJI in 2005-2006 were not published until 2006-2007 and do not, therefore, appear in this report. They include the thematic review of Delay in the Criminal Justice System, which was the largest piece of work undertaken in 2005-2006, and the inspection of Maghaberry Prison.

Victims and Witnesses Thematic Inspection

The inspection on 'Improving the Provision of Care for Victims and Witnesses within the Criminal Justice System' was led by CJI Inspector John Shanks and a report was issued in July 2005.

The report, which was based on an extensive programme of inspection activities, made a total of 37 recommendations designed to improve service delivery for victims and witnesses.

The recommendations focused on the development and co-ordination of strategies, policies and plans and improved communications across the system and with victims and witnesses.

The key themes which influenced the report's recommendations included the need to have a central strategy to develop accountability, and

the need to control and direct a joined-up service between the statutory agencies and voluntary sector for victims across the criminal justice system. Another theme was the need to ensure that victims and witnesses issues are actively addressed, kept under review and if necessary, a Criminal Victims Advocate for Northern Ireland be created.

Other themes that influenced the report recommendations were the need to develop a Witness Service Strategy based on a needs assessment to ensure that witness needs are identified and satisfied; the desire to enhance the quality and promptness of information exchange for victims and witnesses through one central information point; the need to review the victim referral system to enhance quality and timeliness of information exchange; and the requirement to evaluate the effectiveness of the working of special measures for vulnerable or intimidated witnesses.

The inspection report found that although agencies had accepted their new responsibilities and there had been worthwhile progress in some areas, the success of the policy initiative had been patchy. Victims and witnesses issues ranked low in the order of priorities for some agencies, and there was insufficient ownership of the policy at senior levels.

The inspection highlighted that victims and witnesses had little knowledge of the criminal justice system (CJS), and indicated what experience they had was more likely based on fictional television programmes rather than information from the official agencies.

A clear message came across that initiatives undertaken had not met some of the basic needs of victims. These included their understanding of the system; the fact they did not feel valued in terms of their role; their desire to have equal rights and status as others in the system; the need for improved contacts and information exchange; their need to be kept up-to-date with the progress of their case; the fact they felt aggrieved that they had to go searching for information themselves, and the level of support they received compared to what is on offer for the perpetrator of crime.

Target-setting and Performance Management

CJI undertook a thematic inspection of target setting and performance management in the six main criminal justice agencies in Northern Ireland – the PSNI, the Public Prosecution Service, the Court Service, the Prison Service, the Probation Board and the Youth Justice Agency.

It looked at the targets set by the major criminal justice agencies and the processes by which they set them. It also looked at the relationship between those targets and therefore at the way in which the criminal justice system (CJS) as a whole was managed.

Each agency has a specific role and remit within the CJS. Nevertheless, there is a growing recognition that successful functioning of the CJS is dependant on increasingly close co-operation between the agencies. While each may have a defined role within the CJS, the system cannot work effectively without a degree of co-ordination and interaction.

The problem of managing a system which comprises constitutionally separate

agencies accountable to different Ministries has been addressed with considerable energy in England and Wales in recent years. A National Criminal Justice Board and Local Criminal Justice Boards were set up in 2000, and in 2004 the Office of Criminal Justice Reform (OCJR) was created as a single, strongly resourced agency staffed by officials from the three Departments and reporting to the three Ministers jointly.

Generally CJI was impressed with the targets which the various criminal agencies set for themselves and felt that, at least in most agencies, these were leading to qualitative improvements in performance.

Most staff felt that they were consulted about the key priorities of their agency and were committed to those priorities.

There was less evidence however of joined-up thinking across the system or that the agencies were setting targets which would be comprehensible and meaningful to the public. This area of work is vital because the system is committed to improving public confidence.



John Shanks



Kit Chivers



James Corrigan

State Pathologist's Department

The inspection report on the State Pathologist's Department was published in June 2005. The inspection, led by James Corrigan, reported on a number of positive findings which included the consolidation of a 24 hour, 365 days per year forensic pathology service. Inspectors concluded that the Department was providing a valuable and high quality service to the general public but that some key changes were necessary.

Key recommendations were targeted at strengthening the governance and accountability structures of the Department, enhancing the role of the Business Manager, building effective partnerships with key stakeholders such as hospital pathologists and the PSNI and tackling the problem of delays in submitting post mortem reports to the Coroners Service, PSNI and the PPS.

A joint Action Plan, addressing each of the 30 recommendations, was prepared by the State Pathologist and the Northern Ireland Office (NIO) and published as an appendix to the report.

Forensic Science Northern Ireland

The inspection report by James Corrigan on Forensic Science Northern Ireland was published in December 2005.

It contained a number of recommendations which were aimed at sustaining and strengthening the laboratory as it undertakes a programme of modernisation and change and prepares for building a new laboratory.

This included a review of its governance strategy, including its relationship with the Northern Ireland Office (NIO), and strengthening its customer relationships.

The report recommended a strengthening of the laboratory's management and scientific expertise and called for the appointment of a change manager as well as the implementation of staff (management and scientific) succession strategies.

Improvements to service delivery were recommended in areas such as crime scene attendance, management and use of forensic science databases, fingerprints, accreditation and the turnaround times for reports. Inspectors found that major improvement had already been achieved in timescales for DNA analysis.

Scientific Support Services in the PSNI



An inspection of scientific services in the PSNI was jointly undertaken by CJI and Her Majesty's Inspectorate of Constabulary (HMIC) and a report was published in December 2005. Inspectors' overall assessment was that the PSNI was providing a valuable forensic science service, though some important changes and improvements were necessary.

The increasing reliance on forensic science in the investigation of crime requires an enhancement of its status and capability within the Service including the nomination of a 'champion' for volume crime (e.g. theft, burglary and car crime) and improved communication and conditions of employment for civilian scientific staff such as Crime Scene Investigators.

The report recommended that an urgent review should be carried out of all critical forensic science policies and that a comprehensive, corporate suite of policies should be readily available to all staff.

Inspectors drew particular attention to issues involving the storage, retention, management, weeding and

destruction of forensic science exhibits from crime scenes.

They noted an improved working relationship between PSNI and the Forensic Science laboratory and recommended that more joint strategic planning should be undertaken in areas such as the submissions of exhibits.

Hydebank Wood Young Offender Centre

Inspector Tom McGonigle from CJI joined the Prisons Inspectorate for an unannounced inspection of Hydebank Wood Young Offender Centre in March 2005. This was a follow-up to the last announced inspection of Hydebank Wood which was undertaken in 2001.

The report of this unannounced inspection was published in October 2005. It found that 76 of the previous inspection's recommendations had been achieved or partially achieved; 56 had not been achieved and the remaining 6 were no longer applicable.

The inspection took place at a time of industrial action within Hydebank Wood, which was posing serious challenges for managers. This was compounded by the removal of women prisoners from Maghaberry into Hydebank's



Hydebank Wood Young Offender Centre

Ash House, which had necessitated significant changes to the regime for all prisoners held there.

While the inspection noted that good work had been done by the Probation Board and other agencies in relation to prisoner resettlement, it also reported limited involvement of residential staff in working with prisoners, and concerns about insufficient meaningful activity for prisoners. The accommodation and environment were of a high standard, and it was noticeable that in a society where the suicide rate among young men is high, there had been no self-inflicted deaths at Hydebank Wood.

The Prison Service produced an Action Plan to address the 108 recommendations of this inspection. The Action Plan was published as an appendix to the report and will form the basis for the Centre's next inspection.



Ash House, Hydebank Wood

Ash House, Hydebank Wood

In November 2004 Inspectors from CJI and the Prisons Inspectorate carried out an unannounced inspection of Ash House which accommodates some 30 women prisoners.

Ash House is one of six houses on the Hydebank Wood site. The other accommodation house about 250 young offenders (all male) mainly aged between 17 and 23.

The inspection found that the Northern Ireland Prison Service (NIPS) took no action to implement the recommendations of a 2002 Prison Inspectorate report into the conditions and treatment for women prisoners, then held at Mourne House at Maghaberry Prison. Instead, following two deaths and a critical report from the Northern Ireland Human Rights Commission, the women and girls were moved to Ash House.

The Chief Inspectors' described this as a "poorly implemented decision to move women from a purpose-built environment, which was not being managed or operated as it should have been, to a much less suitable facility – without providing staff with sufficient specialist training, management or support to ensure that they could properly look after the women and girls in their care."

The Prison Service responded positively to the Chief Inspectors' report, accepting almost all recommendations. Work is planned to install integral sanitation in the cells in Ash House, and the Prison Service recognises that, Ash House cannot be a permanent solution to the problem of accommodating women prisoners.

There is now a dedicated Governor with responsibility for the women prisoners, reporting to the Governor of Hydebank Wood, and many aspects of the regime are to be improved.

Compensation Agency

On the 31 January 2006 CJI published a report of the inspection of the Compensation Agency led by Deputy Chief Inspector Brendan McGuigan.

The Agency is a small but significant organisation which operates on the edge of the criminal justice system.

The report commented favourably on the work being done within the Agency and commended the Chief Executive and senior managers for creating a balance between a strong performance culture and the needs of staff in a changing environment.



Kit Chivers and Brendan McGuigan

The Agency receives on average 8,000 claims per year under four separate schemes most of which relate to victims of violent crime.

The report made a small number of minor recommendations designed to improve the Agency's relationship with major stakeholders. These were accepted and an Action Plan was published as part of the report.

Office of the Police Ombudsman for Northern Ireland

CJI published the findings of its first inspection of the Office of the Police Ombudsman for Northern Ireland (OPONI) in December 2005.

Ann Abraham, the Parliamentary and Health Service Ombudsman provided CJI with an Ombudsman's perspective on the inspection and assisted with the presentation of the emerging findings to the Police Ombudsman.

Overall, Inspectors led by William Priestley found the OPONI was an effective and efficient organisation which was keen to improve further. Staff members were enthusiastic and motivated by their work, the organisation was tightly managed and

equality and human rights were given high priority.

The main issue raised by the report was the OPONI's relationship with the Policing Board and with some police officers and the police staff associations. The report made 13 main recommendations and 14 minor ones to address this and other issues such as reducing the number of seconded police officers and developing incentives to retain a skillful workforce.

The OPONI's responses to the recommendations of the report were mainly positive and were published by CJI as an appendix to its report.

Probation Professional Staff Remuneration Review

CJI undertook a review of Probation Officer remuneration at the request of the NIO, to identify causes of recruitment and retention problems that had arisen in the Probation Board for Northern Ireland (PBNI) since 2003.

The review reported in May 2005 recommending that the PBNI and the NIO should pursue the option of enhancing salary scales for professional grades, taking account of the Agenda for Change pay implications and timescales.



William Priestley



Tom McGonigle

It also reemphasised the recommendation of the PBNI's 2004 Strategic Review that the NIO should promptly expedite a workforce planning exercise, to be undertaken with a view to equalising expectations and opportunities for all who are employed in comparable areas.

An essential starting point for this review would be for NIO, PBNI and the Youth Justice Agency to agree the long term future arrangements for the youth justice roles of each agency.

Remuneration Report

Remuneration Policy

The Chief Inspector, Chief Executive and other directly recruited staff employed by Criminal Justice Inspection Northern Ireland are remunerated in line with Northern Ireland Civil Service (NICS) pay agreements.

NICS pay policy is to provide a system of reward which properly reflects job content and effectively recognises and encourages performance. Remuneration is performance based and is in line with the pay system for non-industrial staff.

Seconded Northern Ireland Office staff are remunerated by the Northern Ireland Office in accordance with departmental pay agreements and although fully recharged to the Office of

Criminal Justice Inspection, the seconding department remains the permanent employer with responsibility for their pay, allowances and pension.

Service Contracts

Directly recruited appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated the officials covered by this report hold appointments which are open-ended until they reach the normal retirement age of 60. Early termination, other

than for misconduct, would result in the individual receiving compensation as set out in the relevant Civil Service compensation provisions.

Pensions

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

Salary and Pension Entitlements

The salary and pension entitlement of the most senior employees was as follows:

| Name | Salary £'000 | Benefits in Kind £'000 | Real increase in pension and related lump sum at age 60 £ | Total accrued pension at age 60 at 31/3/06 and related lump sum £ | CETV at 31/3/06 (nearest £K) | CETV at 1/3/05 (nearest £K) | Real increase in CETV after adjustment for inflation and change in market investment factors (nearest £K) |
|--|-----------------|------------------------------|---|--|------------------------------------|-----------------------------------|---|
| Mr K Chivers Chief Inspector | 85 – 90 | 16* | N/A | N/A | N/A | N/A | N/A |
| Mr B McGuigan Deputy Chief Inspector | 60 - 65 | N/A | 1,054 0 | 1,910 0 | 33 | 11 | 16 |

* this benefit in kind relates to an amount paid in lieu of pension contributions

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

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they

do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The

CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Details of pensions within Accounting Policies can be located at paragraph 1(h) of Note 1 to the Accounts (see page 35-42).

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

Under paragraph 6 of Schedule 8 of the Justice (Northern Ireland) Act 2002 the Chief Inspector is required to prepare a statement of accounts for each financial year in respect of the Office of the Chief Inspector of Criminal Justice, in the form and on the basis directed by the Secretary of State. The accounts are to be prepared on an accruals basis and must give a true and fair view of the Office of the Chief Inspector of Criminal Justice's state of affairs at the year-end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Chief Inspector of Criminal Justice is required to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer of the Northern Ireland Office has appointed the Chief Executive as Accounting Officer for the Office of the Chief Inspector of Criminal Justice. His relevant responsibilities as Accounting Officer, including his responsibility for propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Non Departmental Public Body Accounting Officers Memorandum issued by the Treasury and published in Government Accounting.

Brendan McGuigan

Chief Executive and Accounting Officer

29th September 2006

Statement of Internal Control

Scope of Responsibility

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of CJI's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CJI for the year ending 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

Responsibility for risk management within CJI previously rested with NIO staff. It currently rests with the Business Manager who has attended and will attend future risk management training and seminars to keep up to date with developments within that sector of management. A risk management strategy has been developed and communicated to all staff within CJI who will be trained to manage risks in a way appropriate to their responsibilities and duties.

The risk and control framework

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

The control framework is based on:

- The examination of financial management reports produced by Financial Services Division of the NIO.
- The review of financial procedures including the segregation of duties in particular in connection with payment processing.
- An established system of financial planning and budgeting with the annual budget agreed with the NIO.
- A report by the internal auditors appointed by CJI who carried out an audit of its systems in January 2006.

Review of effectiveness

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

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

Current systems in place include the following:

- Regular reviews by senior management of risks at all levels within CJI.
- Establishment of key performance and risk indicators.
- Annual internal audit reviews conducted by independent auditors to test the adequacy and effectiveness of systems of internal control as defined in the Government Internal Audit Manual.
- An Audit Committee has been established which plans to meet twice a year. The first meeting was in September 2006.

Brendan McGuigan
Chief Executive and Accounting Officer

29th September 2006

Accounts 2005-06



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

I certify that I have audited the financial statements of the Chief Inspector of Criminal Justice for the year ended 31 March 2006 under the Justice (Northern Ireland) Act 2002. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Chief Inspector of Criminal Justice, the Accounting Officer and Auditor

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

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Chief Inspector of Criminal Justice has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 27 to 28 reflects the Chief Inspector of Criminal Justice's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Chief Inspector of Criminal Justice's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chief Inspector's Report, Management Commentary, The Criminal Justice System in Northern Ireland, the Criminal Justice Inspection Objectives and Targets 2005-06, Inspection Reports and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Chief Inspector of Criminal Justice and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Chief Inspector of Criminal Justice's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland, of the state of the Chief Inspector of Criminal Justice's affairs as at 31 March 2006 and of its surplus, total recognised gains and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

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

7 November 2006

Income and Expenditure Account for the year ended 31 March 2006

| | Note | Year ended 31 March 2006 £ | Year ended 31 March 2005 £ |
|---|------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue Grant-in-Aid | 1,2 | 1,336,800 | 485,833 |
| Expenditure | | | |
| Staff Costs | 3 | 750,907 | 430,589 |
| Other operating expenses | 4 | 448,790 | 345,363 |
| Depreciation | 6 | 57,589 | 39,138 |
| Notional Costs | 5 | 18,544 | 9,994 |
| Permanent diminution | 6 | 1,888 | 8,028 |
| Total expenditure | | (1,277,718) | (833,112) |
| Operating surplus/(deficit) for the period | | 59,082 | (347,279) |
| Release from Government Grant Reserve re depreciation and diminution | 11 | 5,276 | 1,852 |
| Credit in respect of notional costs and cost of capital | 5 | 18,544 | 4,068 |
| Total Surplus (deficit) for the year | | 82,902 | (341,359) |

Statement of total recognised Gains and Losses for the year ended 31 March 2006

| | | 2006 £ | 2005 £ |
|---|----|---------------|------------------|
| Retained surplus/(deficit) for the year ended 31 March | 11 | 82,902 | (341,359) |
| Net gain on revaluation of fixed assets | 12 | 3,101 | 22,869 |
| Realised element of depreciation transferred to general fund | 12 | (2,155) | (1,989) |
| Total recognised gains/(losses) for the financial year | | 83,848 | (320,479) |

The notes on pages 35 to 42 form part of this account.

Balance sheet as at 31 March 2006

| | Note | 31 March 2006 £ | 31 March 2005 £ |
|--|------|-----------------------|-----------------------|
| Fixed Assets | | | |
| Tangible Assets | 6 | 437,852 | 480,119 |
| | | <u>437,852</u> | <u>480,119</u> |
| Current Assets | | | |
| Cash | 7 | 80,049 | 48,291 |
| Prepayments | 8 | 15,583 | 3,170 |
| Debtors | 9 | 11,007 | - |
| | | <u>106,639</u> | <u>51,461</u> |
| Current Liabilities | | | |
| Creditors due within one year | 10 | (23,620) | (105,992) |
| | | <u>83,019</u> | <u>(54,531)</u> |
| Net Current Assets /(Liabilities) | | | |
| | | <u>520,871</u> | <u>425,588</u> |
| Total Assets less Liabilities | | | |
| | | <u><u>520,871</u></u> | <u><u>425,588</u></u> |
| Financed By: | | | |
| Capital and Reserves | | | |
| General Fund | 11 | 478,806 | 392,393 |
| Government Grant Reserves | 11 | 20,239 | 12,315 |
| Revaluation reserve | 12 | 21,826 | 20,880 |
| | | <u>520,871</u> | <u>425,588</u> |

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

Brendan McGuigan
Chief Executive and Accounting Officer
 29th September 2006

The notes on pages 35 to 42 form part of this account.

Cash flow statement for the year ended 31 March 2006

| | Note | 2005/2006 £ | 2004/2005 £ |
|---|------|----------------|----------------|
| Cash Inflow/(Outflow) from Continuing Operating Activities | 13 | 29,559 | (210,622) |
| Capital Expenditure | | | |
| Payments to acquire fixed assets | 6 | (11,001) | (495,942) |
| Cash Outflow before Financing | | 18,558 | (706,564) |
| Financing | | | |
| Request for resources | | - | 740,688 |
| Grant-in-Aid to fund capital expenditure | 11 | 13,200 | 14,167 |
| Increase in Cash | 7 | 31,758 | 48,291 |

Brendan McGuigan
Chief Executive and Accounting Officer
 29th September 2006

The notes on pages 35 to 42 form part of this account.

Notes to the Accounts

1. Accounting Policies

(a) Basis of Accounts

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

(b) Accounting Conventions

The accounts meet:

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

(c) Income

From 1st October 2004 CJI became funded by Grant-in-Aid from the NIO, request for resources 1. Grant-in-Aid received for revenue expenditure is credited to income in the year to which it relates. Grant-in-Aid for Capital expenditure is credited to a Government Grant Reserve. Each year an amount equal to the depreciation charge in respect of each category of fixed assets and any deficit on their revaluation in excess of any prior revaluation increase, will be released from the Government Grant Reserve to the Income and Expenditure Account.

In the period from 1st April 2004 to 30th September 2004, the Office of CJI did not receive Grant-in-Aid and all of its accounting transactions were processed through the NIO.

(d) Fixed Assets

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

(e) Depreciation

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

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

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

(f) Notional Charges

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

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

(g) Value Added Tax

CJI is not eligible to register for VAT and all costs post 1st October 2004 are shown inclusive of VAT.

(h) Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes (CSPS) which are described in the Salary and Pension Entitlements section of the Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependants' benefits. The organisation recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the organisation recognises the contributions payable for the year.

2. Income

| | Year ended 31 March 2006 £ | Year ended 31 March 2005 £ |
|--|-------------------------------------|-------------------------------------|
| HMG | | |
| Grant-in-Aid received from the Northern Ireland Office, Request for resources 1, for revenue expenditure | 1,336,800 | 485,833 |
| HMG | | |
| Grant-in-Aid received from the Northern Ireland Office, Request for resources 1, for capital expenditure | 13,200 | 14,167 |
| Total Grant-in-Aid Received | 1,350,000 | 500,000 |

CJI is funded through Grant-In-Aid.

3. Staff Costs and Numbers

(a) Chief Inspector's Remuneration

During the year the Chief Inspector's total remuneration was £105,268 (£100,495 in 2004/05). The Chief Inspector is not a member of the Principal Civil Service Pension Scheme.

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

| | Year ended 31 March 2006 £ | Year ended 31 March 2005 £ |
|---|----------------------------------|----------------------------------|
| Amounts payable in respect of directly employed staff of CJI: | | |
| Salaries and Emoluments | 427,158 | 224,145 |
| Social Security Contributions | 43,053 | 16,893 |
| Pension Contributions | 72,325 | 18,875 |
| Total direct employee staff costs | 542,536 | 259,913 |
| Amounts payable in respect of staff on secondment, agency/temporary staff and contract staff | 208,371 | 170,676 |
| Total Staff Costs | 750,907 | 430,589 |

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

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

| | 2006 | 2005 |
|--|-------------|----------|
| Directly employed by CJI staff | | |
| Management and executive | 2 | 3 |
| Inspectors | 7 | 2 |
| Seconded, agency/temporary and contract staff | | |
| Management and executive | 1 | 0.5 |
| Administrative and support staff | 4.5 | 3.5 |
| Total | 14.5 | 9 |

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

For the year ended 31 March 2006, employer contributions of £72,325 were payable to PCSPS(NI) at one of four rates in the range of 16.5 to 23.5 per cent (2004-05: 12 to 18 per cent) and PCSPS at one of four rates in the range 16.2 to 24.6 per cent (2004-05: 12 to 18.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0 (2004-05: £0) were paid to an appointed stakeholder pension provider. Employer contributions are age-related and range from 3 to 12.5 per cent (2004-05: 3 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £0, 0.8 per cent (2004-05: £0, 0.8 per cent) of pensionable pay were payable to the PCSPS(NI) and PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of those employees. Contributions paid due to partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

No persons (2004-05: 0 persons) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2004-05: £0).

No employees who joined after 1 October 2002 opened a partnership pension account.

4. Other Operating Expenses

| | Year ended 31 March 2006 £ | Year ended 31 March 2005 £ |
|--|----------------------------------|----------------------------------|
| Inspections | 91,746 | 79,286 |
| Conference Fees | 16,251 | 14,967 |
| Printing, stationery, postage and publications | 49,723 | 25,836 |
| Repairs and Maintenance | 1,502 | 807 |
| Accommodation | 161,130 | 88,406 |
| Computer consumables | 15,109 | 17,629 |
| Professional Advisers | 56,344 | 49,234 |
| Hire of Equipment | 1,825 | 665 |
| Other equipment and expenses | 12,677 | 19,314 |
| Training | 13,713 | 29,663 |
| Hospitality | 2,953 | 2,706 |
| Travel and Subsistence | 20,370 | 11,850 |
| Audit | 5,000 | 5,000 |
| Loss on disposal | 447 | - |
| | 448,790 | 345,363 |

5. Notional Costs

| | Year ended 31 March 2006 £ | Year ended 31 March 2005 £ |
|-------------------------------|----------------------------------|----------------------------------|
| Cost of Capital | 15,566 | 7,262 |
| Notional Administration Costs | - | 1,859 |
| Notional Personnel Costs | 2,978 | 873 |
| | <u>18,544</u> | <u>9,994</u> |

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

6. Tangible Fixed Assets

| | Refurbishment Costs £ | Furniture and Fittings £ | Office Equipment £ | Computer Equipment £ | Total £ |
|--|-----------------------------|-----------------------------------|--------------------------|----------------------------|----------------|
| Cost at 1 April 2005 | 419,134 | 31,437 | 7,588 | 61,286 | 519,445 |
| Additions | 7,000 | 1,591 | 2,680 | 3,284 | 14,555 |
| Disposals | - | - | - | (1,032) | (1,032) |
| Revaluation | 3,442 | 271 | (230) | (2,473) | 1,010 |
| Cost at 31 March 2006 | 429,576 | 33,299 | 10,038 | 61,065 | 533,978 |
| Depreciation at 1 April 2005 | 29,603 | 1,522 | 749 | 7,452 | 39,326 |
| Provided during the year | 41,038 | 2,193 | 1,696 | 12,662 | 57,589 |
| Depreciation on disposals | - | - | - | (585) | (585) |
| Backlog depreciation | 580 | 31 | (55) | (760) | (204) |
| Depreciation at 31 March 2006 | 71,221 | 3,746 | 2,390 | 18,769 | 96,126 |
| Net Book Value at 31 March 2006 | 358,355 | 29,553 | 7,648 | 42,296 | 437,852 |
| Net Book Value at 31 March 2005 | 389,531 | 29,915 | 6,839 | 53,834 | 480,119 |

Payments to Acquire Fixed Assets:

| | |
|--|----------------------|
| | £ |
| Additions | 14,555 |
| Change in capital accrual | (2,199) |
| Less asset purchased last year but excluded from listing | (1,355) |
| Amount paid in period | <u>11,001</u> |

7. Cash in Bank

| | 31 March 2006 | 31 March 2005 |
|--------------|----------------------|----------------------|
| | £ | £ |
| Cash in Bank | 80,049 | 48,291 |
| | <u>80,049</u> | <u>48,291</u> |

8. Prepayments

| | 31 March 2006 | 31 March 2005 |
|---------------|----------------------|----------------------|
| | £ | £ |
| Accommodation | 9,551 | 2,432 |
| Other | 6,032 | 738 |
| | <u>15,583</u> | <u>3,170</u> |

9. Debtors

| | 31 March 2006 | 31 March 2005 |
|---------|----------------------|----------------------|
| | £ | £ |
| Debtors | 11,007 | 0 |

10. Creditors due within one year

| | 31 March 2006 | 31 March 2005 |
|------------------|----------------------|-----------------------|
| | £ | £ |
| Accruals | 13,121 | 92,532 |
| Capital Accruals | 7,000 | 4,801 |
| Other Creditors | 3,499 | 8,659 |
| | <u>23,620</u> | <u>105,992</u> |

11. Reconciliation of General Fund and Government Grant Reserve

| | General Fund | Government Grant Reserve |
|--|-----------------------|---------------------------------|
| | £ | £ |
| Opening balance at 1 April 2005 | 392,393 | 12,315 |
| Grant-in-Aid received to fund capital expenditure | | 13,200 |
| Transfer from income and expenditure account | 82,902 | |
| Adjustment to include asset paid for by NIO | 1,356 | |
| Transfer from revaluation reserve | 2,155 | |
| Diminution arising on the revaluation of fixed assets | | (820) |
| Depreciation transferred to income and expenditure account | | (4,456) |
| Balance at 31 March 2006 | <u>478,806</u> | <u>20,239</u> |

12. Revaluation Reserve

| | 2006 | 2005 |
|--|---------------|---------------|
| | £ | £ |
| Balance at 1 April 2005 | 20,880 | - |
| Gain on revaluation | 3,712 | 22,869 |
| Backlog depreciation on revaluation upwards | (611) | - |
| Realised element of depreciation transferred to general fund | (2,155) | (1,989) |
| Balance at 31 March 2006 | 21,826 | 20,880 |

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

| | 2006 | 2005 |
|--|---------------|------------------|
| | £ | £ |
| Result for the year | 59,082 | (347,279) |
| Depreciation | 57,589 | 39,138 |
| Diminution in fixed assets | 1,888 | 8,028 |
| Loss on disposal of fixed assets | 447 | - |
| Notional Costs | 18,544 | 9,994 |
| Change in debtors | (23,420) | (3,153) |
| Change in accruals and other creditors | (84,571) | 82,650 |
| Net cash flow from operating activities | 29,559 | (210,622) |

14. Capital Commitments

At 31 March 2006 there were no capital commitments contracted for.

15. Commitments under operating leases

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

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

16. Contingent Liabilities

There were no contingent liabilities at 31 March 2006.

17. Post Balance Sheet Events

There were no post balance sheet events to report.

18. Related Party Transactions

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

None of the managerial staff of CJI has undertaken any material transactions with CJI during the year ended 31 March 2006.

19. Losses and Special Payments

There were no losses or special payments during the 12 months ended 31 March 2006.

20. Financial Instruments

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

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

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

Fair Values

The book values and fair values of CJI's financial assets and financial liabilities as at 31 March 2006 are set out below:

Primary Financial Instruments

| | Book Value | Fair Value |
|-------------------------------|------------|------------|
| Financial Assets: | £ | £ |
| Cash at Bank | 80,049 | 80,049 |
| Financial Liabilities: | | |
| None | N/A | N/A |

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