

Corporate Governance in the Youth Justice Agency of Northern Ireland

June 2008

Criminal Justice Inspection
Northern Ireland
a better justice system for all





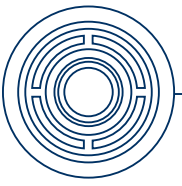
Corporate Governance in the Youth Justice Agency of Northern Ireland

June 2008

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

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List of abbreviations

CIPFA	The Chartered Institute of Public Finance and Accountancy
CJI	Criminal Justice Inspection Northern Ireland
CJS	Criminal Justice System
CJR	Criminal Justice Review
CSR	Comprehensive Spending Review
HMT	Her Majesty's Treasury
IT	Information Technology
JJC	Juvenile Justice Centre
MoUs	Memorandums of Understanding
NDPB	Non-Departmental Public Body
NILGOSC	Northern Ireland Local Government Officers' Superannuation Committee
NIO	Northern Ireland Office
PBNI	Probation Board for Northern Ireland
SLAs	Service Level Agreements
YJA	Youth Justice Agency for Northern Ireland



Chief Inspector's Foreword

This is the second inspection that CJI has undertaken into the corporate governance of a criminal justice organisation in Northern Ireland. The approach taken for this inspection developed on the work undertaken by the Northern Ireland Office (NIO) Internal Audit Unit which published a report 'YJA Corporate Governance' in May 2006. That report focused on the Youth Justice Agency's (YJA) compliance with the principles outlined in the Code of Good Practice¹ which concluded that "*internal audit can provide an adequate level of assurance in respect of controls in place within the YJA*". In preparation for this inspection the report was reviewed by Inspectors and reference was made by the YJA to the progress of the work they have undertaken which was detailed within the action plan to the internal audit report.

The YJA as a relatively new corporate entity has come a long way in a relatively short period of time. The Chief Executive, his Directors and two Non-Executive Directors have helped to shape an organisation that is now well equipped to deliver its statutory responsibilities, objectives and aims. Based on the work undertaken at the time of the Inspection (Autumn 2007), Inspectors found good standards of corporate governance. The findings of this report are made to further enhance the sound structures and processes of management that exist within the YJA.

The inspection team, led by John Shanks greatly appreciated the assistance of the YJA Board and staff who constructively contributed to the inspection through interviews, focus groups and provided access to the necessary information and documentation. A word of special thanks is also acknowledged for the support of Martin Gunning (Corporate Services Director) and his team who provided the necessary contacts to facilitate the inspection.

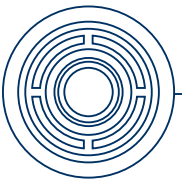


Kit Chivers

Chief Inspector of Criminal Justice in Northern Ireland
June 2008

¹ Corporate governance in central government departments: Code of good practice – issued by HM Treasury July 2005.







Executive Summary

The inspection found that the Youth Justice Agency (YJA) demonstrated sound principles of corporate governance. Since its launch in April 2003 the organisation has matured significantly in a very short period of time. The YJA Board which includes two Non-Executive Directors have provided a good corporate foundation upon which further organisational growth can now be developed. There is a sound organisational structure in place to ensure the YJA operations are effectively managed. The Board, management teams and the Corporate Services Directorate have developed policies and systems to facilitate the delivery of best practice.

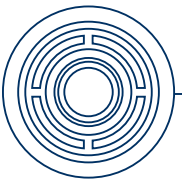
The overall aim of the YJA is to reduce youth crime and to build confidence in the youth justice system. It does this through close working relationships with other partners in the criminal justice system (CJS). It has relied also on partners within the voluntary sector to help deliver programmes to meet the aims and objectives of the YJA.

The Northern Ireland Office (NIO) Internal Audit Report of 2006 found some minor shortcomings which the YJA have addressed through their agreed Action Plan. The report provided “*an adequate level of assurance in respect of the controls in place within the YJA to meet the requirements of the HM Treasury Corporate Governance in Central Government Departments Code of Good Practice*”. The development work undertaken since publication of this report has further strengthened the YJA commitment to best practice management.

This report has included some recommendations that would further strengthen the governance arrangements within the YJA. Overall, CJI was impressed through reviews of documentation, observations of key meetings, interviews with staff and a range of stakeholders with management procedures and accountability arrangements.

The organisational commitment to risk management was evidenced at all levels within the YJA. This is something that both the Board and Audit Committee keep under scrutiny. The risk management process is challenged at several forums which also cascades to the front line operational staff.

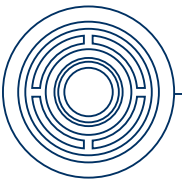
The YJA demonstrated a great sense of openness to the Inspectors in terms of freedom to information, documentation and appropriate staff during the course of the inspection.





Recommendations

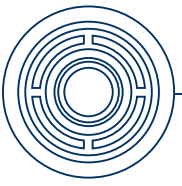
- We recommend that the YJA Management Board review how it presents Corporate and Business Plans and identify a simpler way to inform staff, partners and the public of key targets and performance measures that are succinct and clearly understood (paragraph 2.5).
- We recommend that the development of leadership skills and competences be prioritised within all levels of management in the YJA (paragraph 3.4).
- We recommend that a review should be undertaken by management to establish the benefits that the YJA could realise through greater integration of services and skills across all business areas (paragraph 3.5).
- We recommend that a comprehensive review of management information needs be undertaken with priorities being established and gaps being resolved (paragraph 3.6).
- We recommend and endorse management's commitment to review premises requirements to ensure that appropriate accommodation is available and located in the right areas to manage all YJA business in an economic and efficient manner (paragraph 3.7).
- We recommend that a critical review of budgetary constraints and expenditure with the voluntary bodies be undertaken and that Service Level Agreements (SLAs) be developed to control service requests, tenure of contract and payment arrangements (paragraph 3.8).
- We recommend that a costing model be identified to make best use of information to aid decision making and prioritisation of resources (paragraph 4.4).
- We recommend that the YJA should ensure that it can accommodate its likely payroll requirements within its budget allocation (paragraph 4.5).
- We recommend that as part of the governance arrangements the YJA should have its own IT Committee with representatives from staff of all Directorates to ensure that business needs and IT solutions are efficiently considered and planned (paragraph 4.6).
- We recommend that the YJA develop with partners agreed consultation mechanisms including possible involvement in the development process, agreed timescales and preferred method of response (paragraph 5.3).
- We recommend that any work being commissioned with external bodies be confirmed through central contact points and formalised through the development and agreement of Service Level Agreements (SLAs) or Memorandums of Understanding (MoUs) (paragraph 5.4).



Section



Inspection Report

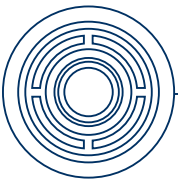


Introduction



- 1.1 With the drive to develop more effective control arrangements across government a whole new set of governance challenges have faced the management of all public sector bodies. The concept of corporate governance is not new in itself. Systems of internal control, codes of behaviour, development of policies, introduction of standards, financial probity and management disclosure have all been part of management best practice for many years. In essence, corporate governance is a multi-faceted subject concerned with how an organisation is managed. Her Majesty's Treasury (HMT) Corporate Governance in central government departments: Code of good practice published in July 2005, defines corporate governance as: *'the way in which organisations are directed and controlled. It defines the distribution of rights and responsibilities among the different stakeholders and participants in the organisation, determines the rules and procedures for making decisions on corporate affairs, including the process through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance'*.
- 1.2 The definition goes much further than narrowly looking at financial checks and balances or how senior management control unforeseen events. Corporate governance focuses on how an organisation is being managed, planned and performed with the foresight of senior management to ensure that things go right through good communication, planning and proper performance management. Good accountability mechanisms, strong leadership, innovative decision making, accurate performance management and review are all at the heart of corporate governance as is the identification and control of risks facing the business. Corporate governance is also concerned with the relationships among directors, management, stakeholders, employees, clients and the community at large. This inspection looked at corporate governance within the Youth Justice Agency (YJA).
- 1.3 In line with recommendations of the Criminal Justice Review (CJR)², the YJA was launched in April 2003 as an executive agency of the Northern Ireland Office (NIO). It operates under the terms of a Framework

² Review of the Criminal Justice System in Northern Ireland – March 2000



Document which confirms the responsibilities of, and the relationship between the YJA, the NIO, Ministers and Parliament. The YJA took on the range of responsibilities that had until then fallen to the Juvenile Justice Board which had been constituted as a Non-Departmental Public Body (NDPB). In addition, the new agency was required to introduce a Youth Conference Service. This amalgamation created tensions across the agency with the history of community services, the newness of youth conferencing and the isolation of custody all providing management challenges. Along with the establishment of a corporate service function this resulted in four divisions with their own staff and Directors required to work together under one corporate identity. The YJA is funded through the overall NIO departmental expenditure limit voted by Parliament.

1.4 Management structures and systems within the YJA have matured very quickly but Inspectors were advised that the merger of previously discrete areas has and will continue to provide many challenges. The YJA is viewed as “*a holistic end to end approach*” offering an integrated approach to youth justice working with individuals and families through intervention, involvement and support from partners in the voluntary sector, conferencing options, custodial management and involvement back in the community.

1.5 The YJA has created a culture in which risk management provides the focus on how the business is run.

During interviews with staff, observations at Board and Audit Committee meetings, Inspectors identified themes highlighting governance development:

- consistency in the handling and prioritisation of risks;
- evidence of communication cascading down and up the organisation;
- documented assurance of achieving objectives;
- evidence of the taking of opportunity; and
- examples of improved housekeeping to manage budget constraints.

1.6 Key players within the governance arrangements of the YJA include:

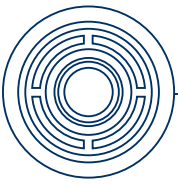
- the Chief Executive, his Executive Directors and Non-Executive Directors individually, and collectively when they meet as the YJA Board;
- all tiers of management and staff forums;
- internal audit and external audit arrangements;
- the work of the Audit Committee; and
- the role of the NIO as funding/sponsor department.

1.7 Good corporate governance in the YJA is assessed by the added value brought to the criminal justice system (CJS) through its work with young people. Engagement with the community through a recognised quality of public service and the minimisation of bureaucracy were identified as key drivers to enhance governance arrangements. This has helped the YJA focus on the achievement of objectives; improve risk handling in a balanced way; and identifying how effective they are in delivering their business.

Accountability and Planning



- 2.1 The overall aim of the YJA “is to reduce youth crime and to build confidence in the youth justice system”. The policy framework controlling its activities is set by Ministers and controlled through its Executive Agency relationship with the NIO. The YJA carries out the Secretary of State’s functions for the provision of youth services under the statutory provisions contained within the Justice (Northern Ireland) Act 2002 and the Criminal Justice (Children) Northern Ireland Order 1998.
- 2.2 The YJA top team is headed by a Chief Executive who discharges his responsibilities with the support of four Executive Directors and two Non-Executive Directors. Corporately they constitute the YJA Management Board and meet formally on a monthly timetabled basis. The Board have embraced several best practice training initiatives during the past year including top management training co-ordinated through the Chartered Institute of Public Finance and Accountancy (CIPFA). Collectively they are responsible for the strategic direction and business management of the YJA operations. For business purposes the YJA is currently structured into four Directorates to support the aim of the organisation:
- Community Services – community based interventions;
 - Youth Conference Service – restorative justice processes;
 - Custody – safe and secure custody environment; and
 - Corporate Services – resource management, support and control.
- 2.3 The Chief Executive, who has been designated as the Accounting Officer, is formally bound by the terms of his appointment letter and the requirements of government regulations and therefore, is ultimately accountable for YJA operations. He also has a right of direct access to the Minister if there were grounds for significant concern, a mechanism which to date has not had to be used. The Framework Document controlling the relationship between the NIO and YJA was described to Inspectors as being “flexible”, which allowed a macro style of management. Inspectors found the organisational and accountability structures within the YJA provide a sound basis for assurances to be given to the Accounting Officer to aid the completion of his Statement of Internal Control. Inspectors also found that the assurances given provided transparency of performance and any limitations



within each Directorate linking performance with plans and organisational objectives. Planning days take place during the year to review progress and facilitate the formulation of forward plans to which all staff have opportunity to contribute.

2.4 The NIO as sponsors of YJA convene a Quarterly Performance Review Meeting which all Board Members attend. Inspectors found that these meetings provide a robust challenge to the strategic direction and management of YJA business including progress with plans, targets and objectives. In addition there are regular meetings between Youth Justice Policy Unit in the NIO and the YJA. Inspectors found that staff value these meetings as it provides an opportunity to involve management staff at various levels contributing to the exploration of specific issues, any concerns and overall general performance.

2.5 Having reviewed the above structures Inspectors found good examples of accountability within YJA. The 2007-2010 Corporate Plan is broken down into annual Business Plans. From these each Directorate has developed an annual Business Plan which in turn feeds into sectional and personal plans. Upon review of the cascading and linkages of plans Inspectors found significant detail in the associated documentation. However, Inspectors found that the structure, detail and terminology used in plans were too complicated for some staff and stakeholders to easily comprehend. Examples given were the number of key business areas,

strategic aims, key performance indicators, key performance targets, main strategies to deliver outcomes and numerous development objectives. While we acknowledge the need for detail within the planning processes, **we recommend that the YJA Management Board review how it presents Corporate and Business Plans and identify a simpler way to inform staff, partners and the public of key targets and performance measures that are succinct and clearly understood.**

2.6 Inspectors found good evidence of the existence of job specifications outlining roles and responsibilities, systems for appraisal completion and follow-up action including training and development plans. Staff confirmed to Inspectors they clearly understood their accountability to managers for job specific objectives. This has also been acknowledged in the April 2007 IIP Assessment Report.

2.7 Inspectors found that the creation of an Assistant Directors Forum has enhanced a clearer vision of YJA planning mechanisms and a better understanding of operational pressures. Inspectors were advised that the output from this forum had helped to identify and raise issues to Directors more promptly to aid improvements to decision making. In addition, a Senior Management Group has recently been established that is comprised of Directors and Assistant Directors. They meet quarterly with the aim of contributing to the strategic, policy, and operational development of the Agency.

Leadership and Communication

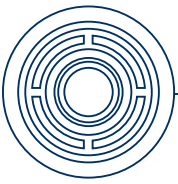


3.1 The organisational structure of the YJA provides for different levels of management within all four Directorates. Inspectors found differing views on the effectiveness of leadership based on working practices and experiences that had developed from the amalgamation of discrete areas of work under one corporate identity. Views were expressed that the integration of the YJA is not complete and there remains a “*silos mentality*” within Directorates based on historic issues including working practices, remuneration packages, personalities, management styles, communication and access to systems and facilities. Countering this, evidence was supplied to Inspectors of improved integration including staff volunteering to transfer from one Directorate to support staff from another which also involved training needs being assessed and cover being arranged. In addition, work pressures in one Directorate resulted in a flow of work being permanently transferred to another. In discussions with senior management, Inspectors found good examples of leadership to support the aims and objectives of the overall organisation.

3.2 The change management process has helped to enhance leadership skills at

all levels within the YJA. Examples were provided to Inspectors of agreement of vision and objective and systematically structuring change processes. This required addressing reluctance to change and putting in place processes to achieve the necessary change which impacted on plans, procedures, communication, and reviews of human and financial resources. One of the main challenges still being pursued by management is to take “*operational units out of the silos*” and develop a more integrated service for customers and partners. However there is recent evidence of this being addressed with the completion of an internal review of Community Services’ estate and staffing structures. The proposed staffing and estate model is currently being implemented and will equip Community Services to provide an efficient, equitable and cost effective service which will concentrate largely on statutory responsibilities.

3.3 From interviews with the top team, and reviews of meetings and reports, significant work has been undertaken to develop a collegiate approach to governing the YJA. The introduction of the two Non-Executive roles has been greatly supported in terms of the challenge function to decision



making. Structured training programmes have been delivered to the Board, Audit Committee and, through personal development, other managers have received leadership and management training.


- 3.4 Bearing in mind the maturity of the YJA (five years) the organisation has been through a significant program of restructuring, relocation of facilities and roll out of services. While this has provided many challenges it has also created many learning opportunities. Evidence supplied to Inspectors included the smooth running of the design, development and decanting experience of the custody centre to Woodlands compared to the problems encountered with the previous relocation. There is an appreciation that much more re-alignment and re-engineering will be needed to achieve the youth justice vision beyond the current corporate planning period. Leadership within the YJA is now better skilled to facilitate the management of necessary change including crucial business challenges. **We recommend that the development of leadership skills and competences be prioritised within all levels of management in the YJA.**

- 3.5 Inspectors were advised at various levels that there is a need for a significant culture change within the YJA based on integration and not separation. Inspectors found willingness for multi-skilling initiatives to be introduced more widely to facilitate interchange within the key business areas. This would enhance

flexibility to deliver the business and allow peaks and troughs of work to be more comprehensively addressed. With the significant pressure on current resources, strong leadership in running the business is required.

We recommend that a review should be undertaken by management to establish the benefits that the YJA could realise through greater integration of services and skills across all business areas.

- 3.6 The Chief Executive through his management team is required to demonstrate strong financial stewardship in achieving optimum service delivery through best value for money. It is important that key elements of management information are available to the Board to facilitate the right decision being made at the right time. Inspectors found a wide fluctuation in the amount and validity of information being gathered. Through statistical analysis the cost and volume of business processes are becoming more transparent. Inspectors found good quality information was being made available to the Management Board particularly in relation to youth conferencing, but much more work needs to be focused on developing information from other operational areas. Information needs require clarification to improve the quality of decision making. One of the main aims of the YJA was to reduce youth crime but Inspectors found there was no system in place to confidently measure this. Management informed Inspectors that they would like to view, review and challenge the top



20 biggest expenditure items for the YJA on a regular basis but this information had not been made available. **We recommend that a comprehensive review of management information needs be undertaken with priorities being established and gaps being resolved.**

3.7 One significant leadership issue was raised with Inspectors in relation to estate and facility management. Staff expressed feelings of discontent to Inspectors in the way accommodation needs had been managed. With the roll out of the Youth Conference Service, accommodation needs were considered and in some cases Business Plans were submitted to acquire appropriate buildings to co-locate Community and Conference Service facilities. Due to budgetary constraints alternative proposals had to be made. **We recommend and endorse management's commitment to review premises requirements to ensure that appropriate accommodation is available and located in the right areas to manage all YJA business in an economic and efficient manner.**

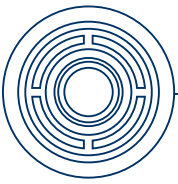
3.8 Inspectors were advised that over the past three years the financial budgets were insufficient to deliver the planned business needs of the YJA. Consequently overspend pressures have been offset by end of year flexibility. However, there is an appreciation that this cannot be sustained. The impact of this is that YJA funding to voluntary organisations who have been engaged

to deliver services with young people is being withdrawn or cut back at very short notice. Several stakeholders have raised with Inspectors the problems this creates for them resulting in service and job losses. This can have significant impact on their planning mechanism and result in a loss of business respect for the YJA. **We recommend that a critical review of budgetary constraints and expenditure with the voluntary bodies be undertaken and that Service Level Agreements (SLAs) be developed to control service requests, tenure of contract and payment arrangements.**

3.9 Management informed Inspectors that the Comprehensive Spending Review (CSR) 2007 settlement would present leadership challenges. Some hard decisions would need to be taken these include:

- cutting back on intervention work programmes with voluntary bodies;
- closure of a unit at the Woodlands Juvenile Justice Centre (JJC);
- possible staff reductions;
- pay policy for professional staff;
- management of pay regimes;
- increase in employers contributions to NILGOSC; and
- reduction of teaching staff within the YJA.

3.10 Inspectors found examples of strong leadership within the YJA in terms of staff absence management. Particular problems presented within the JJC which required close management for compliance with policies and regulations. This had an impact on



the resourcing levels which put pressures on the overtime budget. The situation was being managed both locally and within the Corporate Services Directorate.

3.11 The YJA have developed a Corporate and separate Directorate Risk Registers in keeping with HM Treasury requirements. Inspectors found these were reviewed in two forums which they observed; the Management Board Meeting and an Audit Committee meeting. The non-executive Chair of the Audit Committee robustly challenged the content and assessment detailed in the registers which resulted in discussions and agreed status. In some instances agreed changes were made to reflect variation in the likelihood and impact scores. Inspectors also observed frank discussion around business objectives resulting in both the removal and addition of risks to the registers. References were made to the risk policy and stewardship/assurance statements linking to the YJA Statement of Internal Control. This demonstrated to Inspectors strong risk management leadership.

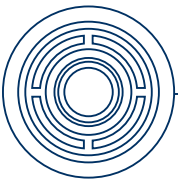
3.12 Inspectors found variation in the views relating to the quality and timeliness of communication. Opinions were expressed that “*it depends where you work in the organisation*”, “*who your boss is*”, “*how much of an interest you have in looking at the system*” and in addition some staff did not have direct access to the OASIS computer network. There were also examples of more junior staff citing their knowledge of the

key issues being discussed at recent Board meetings. When Inspectors drilled down into the comments the main issue revolved around reliable access to the OASIS system. With the exception of YJA Headquarters staff and the JJC staff, who have access to OASIS, most others were disappointed in the quality of IT resources. This is a relatively long standing issue which the top team have raised and a comprehensive business case was submitted to the NIO supporting a full OASIS rollout (see further reference to this issue in Chapter 4). Management confirmed the roll out of an agreed alternative solution which links each office to the OASIS system through a broadband connection has commenced. The initial provision of one laptop per site does not totally address the IT needs outside of YJA Headquarters and the JJC. It is proposed that subject to satisfactory performance testing of the technology, additional access points will be provided to enable all staff to adequately access the system.

Resourcing



- 4.1 The YJA is principally funded as part of the overall NIO Departmental Expenditure Limit voted by Parliament. The total cash requirement from the NIO for the 2006-07 year was £19,280,000. The net operating cost for the 2006-07 year was £26,087,000 which represented a 33% increase on the previous year. This increase has mirrored the growth of the YJA which witnessed the rollout of the Youth Conference Service; and additional programmed expenditure being required for services previously funded by the NIO. Inspectors found examples that included: additional prevention services, expansion of bail support and remand fostering schemes. As a result increases were noted in premises expenditure, staff costs, travel and subsistence and training and development. In addition one-off non cash expenditure of £3.8m was made in relation to the JJC building.
- 4.2 Staff costs represent the main area of expenditure. During 2006-07 the average number of people employed by the YJA was 399. This total was made up of 369 front line service delivery staff and 30 back office administrative staff.
- 4.3 Trade Union recognition and pay policy arrangements have proved complex for the YJA to manage due to national pay settlements and the limitations on funding annual pay settlements.
- 4.4 When reviewing financial information Inspectors were unable to find evidence of operational unit costing within the YJA. Staff explained that it is difficult to provide unit costs due to the unique processes in case management. For example, the JJC is somewhat different in costing and structure than either Youth Conference or Community Services. **We recommend that a costing model be identified to make best use of information to aid decision making and prioritisation of resources.**
- 4.5 Inspectors found significant pressure on the payroll budget due to a variety of pay issues which have arisen by factors outside the YJA control. These included employment of staff on National Joint Council (NJC) and Joint Negotiating Committee (JNC) terms and conditions of service, nationally negotiated pay settlements, roll out and staffing needs of the Youth



Conference Service and pension arrangements and contributions for different staff. In addition the YJA overtime budget has many calls upon it particularly with regard to the adequacy of cover at the JJC. **We recommend that the YJA should ensure that it can accommodate its likely payroll requirements within its budget allocation (paragraph 4.5).**

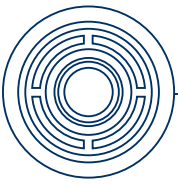
represented on an NIO-wide IT group. **We recommend that as part of the governance arrangements the YJA should have its own IT Committee with representatives from staff of all Directorates to ensure that business needs and IT solutions are efficiently considered and planned.**

- 4.6 The YJA have submitted a comprehensive business case for an integrated IT network across all its estate. Inspectors found that it took a year to produce a comprehensive IT business case, with the main emphasis on extending access to the NIO OASIS platform and the development of an integrated case management system. The business case with Management Board endorsement, was submitted to the NIO in December 2006. While the NIO appreciated the business need, approval was deferred due to funding requirements and possible IT decisions which may arise as part of the devolution process and alignment with the Northern Ireland Civil Service IT systems. As a result, the YJA adopted an interim solution using laptops at some of their offices. Inspectors found significant dissatisfaction among staff outside of the Waring Street and JJC offices regarding the adequacy of the IT system to deliver and process business. Staff described to Inspectors their lack of access to an efficient IT system. Inspectors also found that there was no YJA IT Committee to consider specific needs and solutions. However, Inspectors identified that the YJA was

External Working Relationships



- 5.1 A recurring theme and key challenge for the YJA is preventing young people getting involved in crime through a multi-agency approach involving education, social services, health service and criminal justice system. There is an expectation that if agencies, including those outside the formal CJS, can work together then significant reductions in crime could occur. This requires effective working relationships within local communities and corporately at the top level.
- 5.2 The YJA Chief Executive is a member of the Criminal Justice Board (CJB) which provides direct opportunities to work with other CJS partners. This has facilitated the Chief Executive and other YJA staff to participate within sub groups of the CJB on specialist joined up work. Inspectors found during this and other YJA inspections that working relationships formed through these forums can result in significant decision making and change processes within the CJS.
- 5.3 Inspectors found some negative evidence of where partners in the voluntary sector did not feel valued. Examples were given of where consultation on key YJA documents and processes were not offered with a sufficient time limit to enable necessary responses. Three engagements with the YJA regarding the Complaints Charter, Corporate Plan, and Child Protection were raised with Inspectors. It was highlighted that insufficient time to respond to some consultations was afforded: six weeks for the Complaints Charter, four weeks for the child protection document (over the Christmas holiday period) and nine days to respond to the content including objectives and targets of the Corporate Plan and Business Plans. **We recommend that the YJA develop with partners agreed consultation mechanisms including possible involvement in the development process, agreed timescales and preferred method of response.**
- 5.4 The needs and business arrangements of the YJA and key stakeholders should be clearly understood through identified contact points to ensure effective business relationships are established. Some external parties informed Inspectors that their experience of working with the YJA was “*three separate business silos and not one joined up corporate entity*”. Reference was made to differences in how business was conducted, programmes were designed and standards for delivery. **We recommend that any work being**



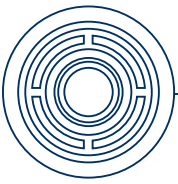
commissioned with external bodies be confirmed through central contact points and formalised through the development and agreement of Service Level Agreements (SLAs) or Memorandums of Understanding (MoUs).

- 5.5 Inspectors identified an interface between some YJA processes and the work of the Probation Board for Northern Ireland (PBNI). One area highlighted to Inspectors was pre-sentence reports (PSR) for young people. The issue relates to which organisation was best placed to complete pre-sentence reports for young people. The YJA have the knowledge of working with the young person and their family, the experience and skill mix to undertake such work but the necessary staffing and funding needs to be clarified.

Section



Appendices



Appendix 1

Scope, Objectives and Methodology for the Inspection

Scope

The overall objective of the inspection is to evaluate how the YJA is managed. This will include a review of the YJA policies, procedures, risks and financial arrangements. How the YJA strategic and operational information is generated will also be evaluated along with how lines of communication between management and staff have developed.

The inspection will also focus on interactions in terms of communication, finance, staffing and operational requirements. CJI will wish to look at the role of the chief officers and staff, with particular emphasis on how the Management Board sets a strategic direction and targets for the organisation.

Further, the inspection will look at how the overall aim of the Agency is accepted by all staff and how a culture has developed in which people feel valued and able to give and accept honest criticisms.

Objectives

The main aims and objectives of the inspection are to:

- Demonstrate that financial responsibility and accountability are clearly established and systems assure regularity, propriety and probity in the management of public money.
- Evaluate how the Agency accounts for its performance to its stakeholders and to the public.
- Examine how the Board and/or Senior Management provide clear leadership and direction for the Agency.
- Examine the role of the non-executive members and evaluate their independence.
- Evaluate that an effective organisational structure is established to deliver the strategy efficiently and accountably.
- Demonstrate that key strategic issues have been identified and effective plans of action are determined, implemented and evaluated.
- Evaluate that standards of performance are set, their achievement is actively managed and performance information is appropriately used to inform strategic and action planning.



Methodology

The inspection will address the five main questions of CJI's Common Core Matrix:

- Openness – is the YJA an open and accountable organisation?
- Partnership – does the YJA operate in a joined-up way with the criminal justice system?
- Equality – does the YJA promote equality and human rights?
- Learning – does the YJA seek feedback and manage change well?
- Results – does the YJA deliver performance and outcomes?

The following methodology is proposed.

Research and review of documentation

A full literature review will be conducted by CJI during September-October 2007. The YJA will be asked to supply CJI with all relevant documentation including corporate and Annual Reports, internal policies, stakeholder agreements, terms of references of management meeting along with minutes and financial information. Stakeholders will also be asked for submissions at this stage.

Fieldwork

It is proposed that CJI fieldwork be scheduled to begin, following agreement with the agency in October 2007. Fieldwork will consist of interviews or focus groups with YJA Board members and YJA staff at all levels, NIO officials, stakeholders and service users.

Analysis of findings

CJI will review findings with the YJA contact person to confirm facts and request any further information.

Writing up report

The drafting of the inspection report will commence after the fieldwork. CJI will circulate a draft inspection report to the YJA for factual accuracy checks prior to publication of the final report.



Appendix 2

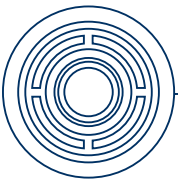
Youth Justice Agency Action Plan – Corporate Governance

Recommendation	Accepted/ Rejected	Action to be taken and date	Responsibility of
1. We recommend that the YJA Management Board review how it presents Corporate and Business Plans and identify a simpler way to inform staff, partners and the public of key targets and performance measures that are succinct and clearly understood (paragraph 2.5).	Accepted	A simpler and clearer summary of the 2008-2009 Business Plan will be issued to staff. A simpler format to inform partners and the public of key targets and development objectives will be considered for 2009-2010 Business Plan. A fundamental review of the Corporate Plan will take place this autumn.	Director of Corporate Services.
2. We recommend that the development of leadership skills and competences be prioritised within all levels of management in YJA (paragraph 3.4).	Accepted	The Agency has already started work on the design of a leadership development programme for all managers within the Agency which will build on previous management development programmes. The programme is to be delivered by March 2009. Later this year, the Agency will offer a further education opportunity to all managers to pursue an Institute of Leadership and Management qualification. Senior Managers at Director level have already participated in NIO Leadership Programme which includes <i>SCHOR 360°</i> .	Director of Corporate Services.
3. We recommend that a review should be undertaken by management to establish the benefits that the YJA could realise through greater integration of services and skills across all business areas (paragraph 3.5).	Accepted	A review is planned to be completed in 2008-2009 business year. Targets will be set for integration of services and skills mix.	Chief Executive.
4. We recommend that a comprehensive review of management information needs be undertaken with priorities being established and gaps being resolved (paragraph 3.6).	Accepted	A Project Group has been established to review management information needs and will commence work in June 2008.	Chief Executive.



Recommendation	Accepted/ Rejected	Action to be taken and date	Responsibility of
5. We recommend and endorse management's commitment to review premises requirements to ensure that appropriate accommodation is available and located in the right areas to manage all YJA business in an economic and efficient manner (paragraph 3.7).	Accepted	Review of Community Services' estate completed. An Agency Estates Management Group has been established to manage premises requirements, location and costs. The Board is required to approve full business cases which include a review/evaluation element to ensure business needs and efficiencies have been achieved.	Director of Community Services.
6. We recommend that a critical review of budgetary constraints and expenditure with the voluntary bodies be undertaken and that Service Level Agreements be developed to control service requests, tenure of contract and payment arrangements (paragraph 3.8).	Accepted	The Agency has implemented an external funding policy in April 2008. Part of this process was the establishment of an External Funding Panel whose role is to oversee and monitor the funding process and also to evaluate the effectiveness and outcomes from the projects and organisations funded. The Panel considers applications/proposals under three headings - Partnership, Service Provision and Small Grants. Service Level Agreements are required for service provision.	Director of Community Services.
7. We recommend that a costing model be identified to make best use of information to aid decision making and prioritisation of resources (paragraph 4.4).	Accepted	The development of a suitable costing model will be considered during 2008.	Director of Corporate Services.
8. We recommend that the YJA should ensure that it can accommodate its likely payroll requirements within its budget allocation (paragraph 4.5).	Accepted	The Youth Justice Agency will address this issue during the 2008-2009 year.	Chief Executive.
9. We recommend that as part of the governance arrangements the YJA should have its own IT Committee with representatives from staff of all directorates to ensure that business needs and IT solutions are efficiently considered and planned (paragraph 4.6).	Accepted	An IT Working Group meets quarterly to review operation of IT systems. An IT Committee will be established in 2008 to provide strategic direction for IT needs.	Chief Executive.






Recommendation	Accepted/ Rejected	Action to be taken and date	Responsibility of
<p>10. We recommend that the YJA develop with partners agreed consultation mechanisms including possible involvement in the development process, agreed timescales and preferred method of response (paragraph 5.3).</p>	Accepted	<p>A fundamental review of the Corporate Plan is due to be carried out in 2008-2009 and as part of this the Agency will engage with partners on the preferred consultation process.</p>	Chief Executive.
<p>11. We recommend that any work being commissioned with external bodies be confirmed through central contact points and formalised through the development and agreement of Service Level Agreements (SLAs) or Memorandums of Understanding (MoUs) (paragraph 5.4).</p>	Accepted	<p>Management response to Recommendation 6 also applies to this recommendation.</p>	Director of Community Services.







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