

# Annual Report and Accounts

2007-08

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



# Annual Report and Accounts 2007-08

Criminal Justice Inspection Northern Ireland Annual Report  
and Statement of Accounts 2007-08 together with the  
report of the Comptroller and Auditor General.

Presented to the Houses of Parliament by the Secretary of  
State for Northern Ireland under paragraph 4 of Schedule  
8 to the Justice (Northern Ireland) Act 2002.

4th December 2008

Ordered by The House of Commons to be  
printed 4th December 2008

HC 6 London: The Stationery Office £13.90



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# Annual Report and Accounts 2007-08

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# Section One

## Annual Report 2007-08

# Chief Inspector's Report



Kit Chivers

**E**ven in a small jurisdiction like Northern Ireland the criminal justice system is a large and complicated business. It is hard for anyone fully to understand all the processes at work in the various agencies and how they interact with one another and with agencies outside the justice system. It takes a team with expertise in each of the disciplines working together and pooling their knowledge to begin to get to grips with it.

CJI has such a team, and this Annual Report shows that it is indeed getting to grips with the system. CJI is beginning, after four years of operation, to understand where the real strengths and weaknesses of the system lie and what needs to be done to address them. The problems we thought most troubling two or three years ago are not necessarily the ones that most concern us now.

Overall we have a sense that the system is performing better than

it was. One of the effects of the big cross-cutting thematic we have done has been to force the agencies to develop new ways of co-ordinating their efforts in response to our reports. The inter-agency team that was assembled to carry forward the work on *Avoidable Delay* was an example of this.

Several agencies we inspect are perceptibly better managed now than they were a few years ago, and we have no doubt that better management will translate into better performance in due course. In the case of public protection from sexual and other dangerous offenders, to which we have devoted three reports so far, legislation has been passed which has implemented our main recommendations and new and more effective arrangements are already in place. Some of the best responses to inspection have come from agencies outside the mainstream criminal justice system, such as the DoE and the Social Security Agency (benefit fraud).

But inspection activity needs to be planned and assessed over a long run of years. Some inspections produce 'quick wins', while others map out the scope for more gradual improvement. There is further work to be done on thinking how cultures need to be changed and resources need to be reallocated to correspond

with the priorities of a 'normal' criminal justice system – that is to say, one whose focus is providing a service to the public as customers, instead of being primarily the enforcement arm of the state.

The legacy of the Troubles is still evident in many parts of the justice system, for example the over-emphasis on static security in the prisons, as opposed to dynamic security through greater interaction with prisoners. Another example is the tendency for agencies to place emphasis on their independence at the expense of a willingness to co-operate with one another. Independence of decision-taking in relation to individual cases is essential, but it need not and should not be an obstacle to close working relationships.

There is still a major task to be undertaken in relation to the Past, on which we await recommendations from the Eames-Bradley Group. I have put on record my view that it would be a mistake to expect the criminal justice system to bear too much of the weight of this task. It cannot be done, because of the passage of time, and the expense of attempting to do it would be prohibitive. Equally it would be wrong to place too much reliance on the scope for individual emotional reconciliation. What is needed

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instead is a negotiated agreement between the main parties to the conflict accepting their responsibility in generic terms for things that they could have wished had been otherwise.

The devolution of policing and criminal justice is now in prospect. Devolution is important for a number of reasons. Firstly, criminal justice is closely linked to a range of other social policies, such as housing, education, health and employment, and it makes no sense to isolate it. Secondly, devolution will mean additional scrutiny and democratic accountability for the criminal justice system. Thirdly, we need the freedom to develop a criminal justice system which suits Northern Ireland and does not just reflect the issues and concerns of another jurisdiction. And finally, there are some tough decisions that need to be taken about the future resourcing of the justice system, and it is right that those decisions should be taken by politicians who are directly accountable to the people of Northern Ireland.

Some people have expressed concern that devolution might lead to the justice system becoming more politicised, and that more populist and less thought-through policies might be the result. CJI's experience of giving evidence to Committees

of the Assembly to date suggests that such fears are unfounded. I have been particularly struck by the way in which MLAs of all parties have been willing to accept the advice of CJI impartially and have not sought to politicise our reports. Inspectors have every confidence that following devolution Members will work together to develop the justice system responsibly. Members will want to ask, "What works?" and "What does it cost?", and I have no doubt that that hard-headedness will keep the Assembly and the Executive on the right track.

There are at the time of writing some details of the structure of devolved government still to be worked out. CJI's main concern in the evidence it presented to the Executive and Assembly Review Committee was that while the independence of the criminal justice agencies should be respected, it was also important that the structure should be one which enabled Ministers to set coherent policies and targets for the system as a whole, and to hold the system as a whole to account for its performance. If the structure does not support the basic principles of good management those weaknesses will show up in performance, and the Inspectorate will be bound to encounter them in every inspection it conducts.

This is my final report after a five-year term of office. It has been an immense privilege to have been the first holder of this unique and fascinating post. I have been immensely fortunate to have had the support of a remarkable team in CJI, to whom I am deeply grateful. I would also like to thank our partner Inspectorates, on whom we rely so much, and the Heads of the agencies CJI inspects, who have borne the challenge of our inspections with patience and fortitude and have nearly always responded positively to our recommendations; and last but not least our sponsors in the Northern Ireland Office, who have been both supportive and correct in their dealings with us. There has never been an attempt to influence our findings or to suppress a report, which in view of the sensitivity of much of our work I have found remarkable.

**Kit Chivers**  
*Chief Inspector of Criminal Justice  
in Northern Ireland*

2nd October 2008

# Management Commentary



Brendan McGuigan

## Background Information

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

The Chief Inspector was appointed by the Secretary of State for Northern Ireland in August 2003 to inspect or ensure the inspection of all aspects of the criminal justice system in Northern Ireland, other than the courts,<sup>1</sup> and to contribute in a significant way to the efficient and effective running of the criminal justice system, while helping to guarantee that it functions in an even handed way.

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

## Remit of Criminal Justice Inspection

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

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

In 2007, CJI's remit was extended to include the following after S.45 of the Justice and Security (Northern Ireland) Act 2007 came into effect:

- Northern Ireland Court Service;
- Northern Ireland Legal Service Commission; and
- Life Sentence Review Commissioners.

CJI was also granted statutory powers to inspect community-based restorative justice schemes under the Justice and Security (Northern Ireland) Act 2007.

## CJI's Aims

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

We will achieve this by:

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

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

## CJI's Objectives

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

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

## Performance against CJI's Objectives and Targets 2007-08

In this section CJI reports on progress against its objectives and targets for the 2007-08 financial year as listed in its Business Plan.

Objective	Target	Achieved	Not Achieved	Result
<b>Inspections and Action Plan Reviews/Inspection Follow-Up Reviews</b>				
To carry out within the year a programme of inspections, recognising that not all will have been reported by the end of the year.	To carry out within the year a programme of inspections recognising that not all will have been reported by the end of the year.	✓		Fieldwork for eight planned inspections was completed by 31 March 2008. Eight inspections which rolled-over from the 2006-07 inspection programme were published in 2007-08. CJI was asked to undertake an unscheduled piece of work at the request of the Minister for Criminal Justice which was completed and reported on in 2007-08. Three other topics were moved to the 2008-09 inspection programme following consultation with the agencies concerned.

Objective	Target	Achieved	Not Achieved	Result
<p>Conduct all the inspections and thematic reviews listed to an acceptable<sup>2</sup> standard, to time and to budget.</p>	<ul style="list-style-type: none"> <li>• No complaints against Inspectors upheld in the course of the year.</li> </ul>	✓		<p>No complaints made against Inspection staff.</p>
	<ul style="list-style-type: none"> <li>• 90% of inspections and thematic reviews to be completed within time and budget<sup>3</sup>.</li> </ul>	✓		<p>A target of 16 full inspection reports were listed in the 2007-08 provisional Business Plan. Out of the 16 listed, three were deferred by agreement following consultation with the agencies and CJI's funding body until a future date. The remaining 13 listed (100%) were undertaken during 2007-08. In addition nine full inspection reports were published in 2007-08.</p>
	<ul style="list-style-type: none"> <li>• 75% of inspections and thematic reviews started in 2007-08 to be reported by 31 March 2008.</li> </ul>		X	<p>While CJI started work on 13 inspections during 2007-08, due to the rolling nature of the process and to minimise the impact of inspection on the organisations involved, CJI altered the timing of inspections. As a result CJI published two of the scheduled inspections in 2007-08.</p>

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

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

Objective	Target	Achieved	Not Achieved	Result
Conduct all the Action Plan Reviews listed within three months of the date one year after publication of the inspection report, unless otherwise agreed.	Conduct all Action Plan Reviews listed within 15 months of publication of the original inspection report unless otherwise agreed.	✓		Five Action Plan/Inspection Follow-Up Reviews were carried out and published in 2007-08. Six others were deferred by agreement with agencies or other Inspectorates involved.
To publish single agency inspection reports (but not thematics) with agreed Action Plans.	90% of single-agency inspection reports (but not thematics <sup>4</sup> ) to be published with agreed Action Plans.		X	In 2007-08, the majority of inspections published involved more than one single agency. While CJI requests Action Plans from agencies, it regularly publishes its reports without having sight of the agency's internal Action Plan. Agreed Action Plans were published in connection with two of the three single agency inspections carried out.
<b>Media and Communication</b>				
Develop political awareness of the work of CJI.	Increase contact with politicians.	✓		During the course of 2007-08 CJI continued to engage with local politicians and community representatives. CJI also gave evidence to both Ad Hoc, Standing and Statutory Committees of the Northern Ireland Assembly during the year.

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

Objective	Target	Achieved	Not Achieved	Result
Maintain and improve the profile of CJI.	Accept all suitable invitations to speak at seminars and conferences and to community groups.	✓		In 2007-08 staff members from CJI accepted invitations to speak at 13 seminars and conferences. The Inspectorate was also consulted by other groups during the year on areas of expertise.
Develop a baseline of data on media references to CJI.	Maintain an electronic database of newspaper clippings and visual and audio material relating to CJI.	✓		An electronic database of newspaper articles is maintained. Transcripts and audio/video recordings of references to CJI are also retained in house. In addition CJI has established a database of relevant public affairs information.
Keep CJI stakeholders abreast of inspection activity.	Publish four editions of the newsletter <i>The Spec</i> .	✓		Four editions of CJI's newsletter were published and distributed during the course of the year.
Run a successful annual Stakeholder Conference in January 2008.	Increase attendance at CJI's annual Stakeholder Conference.	✓		CJI increased attendance at its Stakeholder Conference from approximately 120 delegates in January 2007 to over 140 delegates in 2008.

Objective	Target	Achieved	Not Achieved	Result
<b>Planning and Management</b>				
All staff to undertake at least five days' relevant training in the course of the year.			X	CJI staff undertook a total of 90.75 training days during 2007-08 with 62.5% of staff exceeding the objective of five-plus training days during the same period. The average number of training days per member of staff was 5.67.
Publish the Annual Report and Accounts for 2006-07.	Publish the Annual Report for 2006-07 before 31 October 2007.		X	The Annual Report and Accounts was published in December 2007.
Maintain a clean audit certificate from the Comptroller and Auditor General for 2006-07.	To obtain a clean audit certificate from the Comptroller and Auditor General for 2006-07.	✓		A clean audit certificate from the Comptroller and Auditor General was obtained in November 2007. This was incorporated into the Annual Report & Accounts for 2006-07.

## Reports and Accounts

I am also the Accounting Officer for the organisation. As such, I have responsibility for the preparation of accounts and maintaining a sound system of internal control that supports the achievement of CJI's policies, aims and objectives, while safeguarding the public funds and CJI's assets for which I am personally responsible. These responsibilities are carried out in accordance with the responsibilities assigned to me in Managing Public Money.

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

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

## Disclosure to Auditors

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

and Auditor General. Audit fees for 2007-08 are set at £5,500 (£5,250 in 2006-07).

## Principal Risks

CJI has conducted a risk analysis examining a wide range of possible risks to the organisation and to the delivery of its objectives. These risks were reviewed in June 2007 and then examined again in January 2008 to ensure the risks considered were relevant to the organisation. The main risks in practice are seen as:

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

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

## Protected Personal Data

- A.1. CJI holds names, home addresses including postcodes, mobile telephone numbers and dates of birth for all directly recruited staff.
- A.2. Bank, financial details, National Insurance numbers and mother's maiden names are also on file.

The above information is retained on individual Personnel Files which are stored in a security cabinet in a store with a combination door lock.

Apart from initial registration with Personnel Services Division of the Northern Ireland Office and Police Service of Northern Ireland for security clearance the information does not leave CJI.

- B. CJI maintains a database in excess of 1000 names, addresses, postcodes, email and fax numbers of stakeholders/recipients of all CJI publications.

None of this detail is transported outside of CJI.

## Review of Activities

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

CJI proceeds in two stages:

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

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

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

- openness and accountability;
- partnership with other agencies in the criminal justice system;
- promotion of equality and human rights;
- being a learning organisation, responsive to customers and the community; and
- delivering results in relation to the Government's objectives.

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

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

The accounts for the year ended 31 March 2008 have been prepared on an accruals basis.

The financial position at the year end is set out in the Operating Cost Statement included on page 52.

Revenue Grant-in-Aid for the period was £1,187,604 (£1,138,913 in 2006-07) and the net operating cost was £1,370,111 (£1,228,430 in 2006-07).

Details of the General Fund are given in note 11 to the accounts. A net amount of £7,556 (£4,037 in 2006-07) 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 2008, 97.57% (99.81% in 2006-07) 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 56.

## Register of Interests

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

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

## Corporate Ethos

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

It aims to be a good employer, but a disciplined one. Although the terms and conditions of staff are basically those of the NI Civil Service, the culture of the organisation is modelled on a modern, knowledge-based business, not a conventional bureaucracy.

The health and wellbeing of staff is of paramount concern.

As in other Inspectorates, staff will be expected to work

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

## Corporate Values

CJI will at all times:

- conduct inspections and complete reports with honesty and impartiality, basing its findings upon evidence;
- be open about its practices and procedures and about the expectations against which judgements are made;
- publish all its reports and make all its papers freely available, subject to the normal exceptions for security and personal information;
- encourage self-assessment, and make improvement the main purpose of all its inspections;
- work in a non-adversarial, consultative and interactive way, collaborating wherever possible with other agencies and Inspectorates;
- aim to minimise the demands it makes on those inspected;
- treat people courteously, fairly and without discrimination, valuing diversity and promoting equality in accordance with s.75 of the Northern Ireland Act 1998;

- monitor and evaluate its own performance from the perspective of value for money; and
- welcome and be responsive to any complaints or other feedback from the agencies inspected.

Staff are expected to comply with the standards of conduct laid down by S.4 of the Civil Service Management Code, which sets out in detail the rules governing confidentiality, acceptance of outside appointments and involvement in political activities.

## Self Assessment

During September and October 2007 CJI undertook a detailed self-assessment process using the European Foundation for Quality Management Excellence Model (EFQM®).

Following guidance from an experienced external assessor and an internal briefing, every member of staff completed an anonymous, comprehensive questionnaire setting out their evaluation of how CJI was performing in relation to EFQM®.

Staff were asked to provide detailed evidence for each of the five enabler criteria of the model and to grade organisational performance by giving a score of between

1 and 5. Anonymity provided reassurance to staff and as a result the questionnaire results were honest and detailed.

The evidence and scores were analysed by an external, independent assessor with a view to establishing an Action Plan for future organisational development.

In October, all staff attended an externally facilitated one-day workshop where discussion took place and consensus was reached on the strengths of the organisation and the areas for improvement.

As a result of the self assessment process, key areas for development were identified and prioritised. A programme of work was then formulated and agreed with staff which CJI has been implementing since November 2007.

Progress on the programme has been reported at regular staff general meetings.

CJI has been open in sharing the results of its self-assessment with the Heads of the Agencies and received valuable additional feedback as a result which has been fed into our development process and programme of work. The Inspectorate also received stakeholder feedback during its conference in January 2008.

Details of our self assessment were made available for the light touch review of CJI which commenced in the early spring of 2008.

The self assessment exercise proved to be a worthwhile process which focused CJI's attention on improving its internal and external business practices.

CJI regards self assessment as a critical enabler of its inspection process and encourage inspected organisations to engage fully in a meaningful way with the process to achieve maximum benefit.

## Staffing

At the end of the 2007-08 financial year, CJI had a complement of 17 staff. Staff are employees of the Chief Inspector. The Business Manager is the only member of staff on secondment from the Northern Ireland Office (NIO), who remains with CJI. It is envisaged that CJI will begin work to fill this post with a directly recruited member of staff during the 2008-09 financial year.

CJI is committed to developing each member of staff so that all reach their potential. During the past year, a member of the inspection team participated in a five day executive training programme

at Harvard University, Boston, on the strategic management of regulatory and enforcement agencies.

Another Inspector undertook a field trip to Estonia and Finland to examine the development of prison and probation practice in other countries while a colleague attended a conference on policing excellence.

A fourth Inspector completed a two part development programme with the National School for Government at Sunningdale which is designed to prepare individuals to pursue a career in the public sector equivalent to senior civil service level.

Another member of the inspection team undertook a training event aimed at building performance and participated in an occupational psychology chartership supervisor's workshop, while CJI's Chief Executive attended a training course in presentation skills.

In the interests of maintaining the organisation's health and safety procedures, members of the Business Support Team and an Assistant Inspector undertook fire warden training and two staff members attended a first aid refresher course.

The Chief Inspector's PA furthered her computer skills during the course of the year and an Inspection Support Officer participated in a five-day Common Purpose *Navigator* personal development course, and attended an administration support seminar.

A member of the Business Support Team has continued to study for a Business Studies degree. She also received training as a line manager, undertook a grammar refresher course and participated in an interviewing skills programme.

The Media and Communications Officer attended a communication strategy course and participated in proof-reading and grammar refresher course as well as undertaking line management training.

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

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



Rachel Tupling, John Gallagher and Danielle Reaney who joined CJI during 2007-08.

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

There were several staff changes during the year:

- **Rachel Tupling** joined CJI as an Inspector in July 2007 having previously worked at the Central Police Training and Development Authority (Centrex, now part of the National Policing Improvement Agency) in England for five years.

- **John Gallagher** transferred from the NIO in November 2007 to become a directly recruited member of staff after successfully applying for and securing the post of IT Systems Administrator.
- **Danielle Reaney** took up a post as an Inspection Support Officer in October 2007, with responsibility for providing administrative backup and research for the Inspection Team.
- **Paula McCullough** joined CJI as an Administrative Support Officer within the Business Support Team in March 2008 fulfilling a vacancy previously created in 2006-07 when a member of the original Business Support Team transferred to CJI.

## Media and Communication

During 2007-08, CJI's sought through its media and communications activity to build upon the foundations established in the previous financial year when CJI adopted a higher public profile.

The Chief Inspector and Deputy Chief Inspector led in promoting the work of the Inspectorate, drawing attention to the recommendations contained in the various CJI reports and the positive impact they could have, if implemented, in improving the effectiveness and efficiency of the criminal justice system in Northern Ireland.

Both senior CJI staff members endeavoured to increase public confidence in the criminal justice system by highlighting wherever possible, the excellent work currently being carried out by Northern Ireland's criminal justice agencies and members of the community and voluntary sector.

In the last 12 months, CJI published nine inspection reports. It also published a further five Action Plan Reviews/Inspection Follow-Up Reviews after Inspectors returned to assess the progress made by the various criminal justice agencies in progressing recommendations made in



earlier inspection reports.

This led CJI to issue 18 press releases during 2007-08 covering its inspection reports, action plan reviews, inspection follow-up reviews and other corporate activity.

These releases generated 39 articles which appeared in the regional, daily and weekly press in Northern Ireland and on on-line news services. Articles also appeared in newspapers circulating in the Republic of Ireland and on the websites of organisations based there.

The Chief Inspector and Deputy Chief Inspector undertook 41 broadcast interviews for both TV and radio in connection with the work of CJI. They also contributed to a number of in-depth news items and documentaries on topics such as community restorative

justice, environmental crime and enforcement, sex offender management and life within Northern Ireland's prisons.

In 2007-08 CJI continued to be recognised as an organisation that provides information on issues and topics that are of interest to the public, and can have political and system-wide impact.

The Media and Communication Officer used the last financial year to cement communications activity internally as a corporate priority.

All staff are keen to identify communication opportunities. They are willing to play their part in raising awareness of the work of CJI and developing its corporate identity with members of the public and stakeholders with an interest in criminal justice matters.

## Community outreach

Criminal Justice Inspection continues to view community outreach as a key area of activity.

In the past 12 months CJI continued its relationship with Common Purpose through its involvement in two separate development programmes.

It hosted the *Matrix* programme Crime Challenge Day where programme participants were asked to examine the challenges presented in reintegrating sex offenders into the community.

The Chief Inspector and NISOSMC's Policy and Strategy Co-ordinator, William McAuley began the day with individual presentations before returning in the afternoon to participate in a panel discussion on the subject, which also involved Andrew Rooke from the Probation Board for Northern Ireland.

CJI's participation in the *Your Turn* project which is aimed at students aged 13-15 who are the leaders of the future, enabled the Inspectorate to engage with young people from different communities and listen to their views on matters relating to criminal and restorative justice.

Programme workshops were supported on three separate



Taking questions from the audience at the Common Purpose Crime Challenge Day are William McAuley (NISOSMC), Kit Chivers and Andrew Rooke (PBNI).

occasions by Assistant Inspector Ian Craig.

CJI staff also attended a wide range of conferences and events linked to criminal justice matters, and accepted a number of speaking engagements during the course of the year.

The Chief Inspector was invited to give a talk at the Criminal Justice System Northern Ireland (CJSNI) one-day conference on the challenges that will be presented by devolution. The event was held in Belfast in June 2007.



Kit Chivers addresses delegates attending the CJSNI 2007 Conference.

Other speakers who participated in the event were the Attorney General and Criminal Justice Minister at that time, Lord Goldsmith and Maria Eagle MP. They were joined by PSNI Chief Constable Sir Hugh Orde, NIACRO's Olwen Lyner and representatives of the DUP, Sinn Féin, UUP, SDLP, Alliance and PUP who provided a local political dimension to the debate.

The Chief Inspector gave evidence to the Consultative Group on the Past (Eames-Bradley Group) and gave a presentation on accountability and independence in the criminal justice system at a seminar hosted by British Irish Rights Watch.

During February's Criminal Justice Week activities, the Deputy Chief Inspector spoke at a 'mock' Youth Conference hosted by the Youth Conference Service – a division of the Youth Justice Agency.

Paul Mageean represented CJI at a two-day conference on OPCAT, the Optional Protocol to the United Nations Convention Against Torture, at the beginning of the financial year.

He was subsequently invited to travel to Dublin to give a speech on OPCAT at an event organised by the Irish Council for Civil Liberties.

Paul again represented CJI in Belfast when he provided a briefing on International



Tom McGonigle and Miiko Vainer outside Tallinn Prison in Estonia.

Human Rights Standards to the Bill of Rights Working Party on criminal justice and victims.

Tom McGonigle established links with representatives of the Prison and Probation Services in Estonia and Finland in March 2008 when he travelled to visit prisons in both countries and engaged in discussions surrounding probation services.



Brendan McGuigan hands over a copy of CJI's inspection report on Youth Conferencing to Bill Lockhart and Alice Chapman of the Youth Justice Agency.

## Community engagement

In February 2008, CJI launched a community engagement initiative which sought the views of members of the public who would not normally come into contact with CJI during the course of its inspection work.

An online survey was developed and launched to coincide with Criminal Justice Week which asked the public to tell CJI what mattered to them, so their opinions and

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



## COMMUNITY Engagement Survey

- Do you have a view on crime in your area?
- What are the big issues that concern you?
- Where do you feel improvement is most needed?

Criminal Justice Inspection Northern Ireland (CJI) wants the public to help shape its future inspection programme by finding out what is important to local people.

To take part in the survey, log onto CJI's website [www.cjini.org](http://www.cjini.org) or phone 028 9025 8000 to request a form.

For further information on CJI, please visit our website or write to CJI, 6th Floor, 14 Great Victoria Street, Belfast, BT2 7BA.

suggestions could be incorporated, where possible, into the development of the Business Plan for 2008-09 and the next Corporate Plan.

The survey was publicised through adverts and articles in local newspapers across Northern Ireland.

### Partnership working

Since its establishment in 2004, working in partnership with other Inspectorates and agencies has been a high priority for CJI.

CJI continued to work closely with Her Majesty's Inspectorate of Prisons (HMIP) and Her Majesty's Inspectorate of Constabulary (HMIC) where appropriate.

Inspectors from Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI) were joined by CJI Inspectors to carry out the first inspection of the Public Prosecution Service for Northern Ireland (PPS). This inspection was carried out under the delegated authority of the Chief Inspector of Criminal Justice in Northern Ireland.

CJI also worked with representatives from the Office of the Northern Ireland Commissioner for Children and Young People (NICCY) as part of an inspection of how complaints were handled by the criminal justice system. Inspectors from RQIA, the Regulation and Quality Improvement Authority, also assisted with this report.

### North-South relations

During the year, CJI joined with colleagues from the Garda Síochána Inspectorate



Photo courtesy of PSNI.

in the Republic of Ireland to carry out inspections of roads policing in both jurisdictions. Both reports are due to be published during 2008-09.

This was the first time representatives of both organisations had worked together to present an all-island view on a criminal justice issue. CJI hopes the positive relationship that developed as a result of this inspection will continue to be built upon in the coming years.

The Chief Inspector and Tom McGonigle also met with HH



Kit Chivers chats with HH the late Judge Dermot Kinlen on a visit to CJI.

Judge Dermot Kinlen, the head of the Republic's Inspectorate of Prisons and Places of Detention, and his colleague Governor Jim Woods, during a visit to Belfast after the Inspectorate became a statutory organisation in May 2007. Sadly, Judge Kinlen passed away shortly after that visit.

## Political engagement

In 2007-08 CJI had the opportunity to engage with the Minister for Criminal Justice on a number of occasions maintaining the cordial working relationship between the two offices.

The Chief Inspector was pleased to welcome the current Minister Paul Goggins MP and his predecessor Maria Eagle MP to CJI's offices on two separate occasions where they both met with CJI staff.



Courts Minister and former Criminal Justice Minister David Hanson MP (second left) pictured with Brendan McGuigan, Jacqui Durkin (NICtS), Kit Chivers and David Lavery (NICtS).

The former Northern Ireland Criminal Justice Minister, David Hanson MP also returned to CJI in December to meet with the Chief Inspector after he was appointed Minister of State within the Ministry of Justice. Mr Hanson made his visit after the Northern Ireland Courts Service came under CJI's remit.

Following the restoration of power-sharing government in 2007, CJI has welcomed various opportunities to actively contribute to debates and discussions within the Northern Ireland Assembly.

In December the Chief Inspector, Deputy Chief Inspector and Tom McGonigle were invited to give evidence to the Assembly's Ad Hoc Committee on the draft Criminal Justice Order, which will end automatic 50% remission and introduce new indeterminate and extended sentences for dangerous offenders.

This meeting was followed by a second invitation to CJI in early 2008 to address the Assembly Committee on the Environment on the findings of its inspection on Enforcement in the Department of the Environment.



Former Criminal Justice Minister for Northern Ireland Maria Eagle MP (centre) pictured with CJI staff during a visit to the Inspectorate's office in Belfast.



CJI representatives visit Parliament Buildings to give evidence to the NI Assembly Environment Committee.

The event was attended by over 140 delegates drawn from across Northern Ireland's criminal justice agencies, the voluntary and academic sector, and local political parties.

Brendan McGuigan extended a warm welcome to everyone present on behalf of CJI before asking the Attorney General, the Rt. Hon. Baroness Scotland QC, to give the opening address which focused on the reasons why the devolution of policing and criminal justice matters was so important.

During his keynote speech Kit Chivers provided a summary of the work CJI had undertaken during the course of the year. He also presented to the audience the challenges he felt would face Northern Ireland's criminal justice agencies in terms of budget allocation and increased accountability, once these matters were devolved to a local administration.

Sir Patrick Cormack, chairman of the Northern Ireland Affairs Committee also addressed the conference.

Delegates heard first hand about the Scottish experience of the devolution of criminal justice matters from the Lord Advocate of Scotland, the Rt. Hon. Elish Angiolini

The invitation was accepted by the Chief Inspector, Deputy Chief Inspector and James Corrigan who led the DoE inspection.

Discussions between the representatives of Northern Ireland's different political parties also continued, with a number of stimulating and challenging meetings taking place at Parliament Buildings and at CJI's Belfast office.

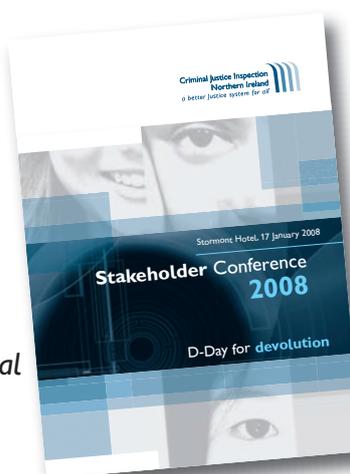
The Inspectorate intends to maintain this contact and an open invitation to members of all the main political parties with representatives either in the Northern Ireland Assembly or House of Commons remains in place.

During 2007-08, CJI was again invited to give evidence to the

Northern Ireland Affairs Committee in Westminster. The Chief Inspector joined Anne Owers, Her Majesty's Chief Inspector of Prisons in England and Wales to address committee members on prisons in Northern Ireland in May.

### Stakeholder Conference

Criminal Justice Inspection hosted its annual Stakeholder Conference in January. The theme for the event was *D-Day for Devolution: Preparing for the devolution of policing and criminal justice in Northern Ireland.*





The Attorney General the Rt. Hon Baroness Scotland, QC, and the Lord Advocate of Scotland the Rt. Hon Elish Angiolini, QC, pictured with Kit Chivers at the 2008 Stakeholder Conference.

Consumer Council before the audience separated into four groups to discuss CJI's proposed inspection programme for the incoming year.

A summary of the points raised during the group discussions at the Stakeholder Conference featured in the March edition of CJI's newsletter *The Spec*.

The event was also included in a special feature on criminal justice in public affairs magazine *Agenda Ni*.

QC, who provided an insight into the positives and negatives which accompanied devolution.

The morning session concluded with a talk from Aideen Gilmore from the Committee on the Administration of Justice, before the floor was thrown open and the audience were invited to debate the

challenges and opportunities they had identified individually for the various agencies, and collectively for the criminal justice system.

During the afternoon session, delegates heard from Steve Costello, chairman of the Northern Ireland



Sir Patrick Cormack, chairman of the Northern Ireland Affairs Committee.



## Corporate style

In an effort to further strengthen CJI's corporate style an electronic template was developed by the Media and Communications Officer and IT Systems Administrator to assist Inspectors when writing their reports.

The template, which was rolled out at the beginning of the financial year, follows the style guide introduced in 2006-07 which ensures all CJI published material is presented in a standard corporate format.

Like the style guide, the report template is a living document which will be reviewed and amended as necessary on an annual basis.

## The Spec

Four issues of CJI's newsletter *The Spec* were published in a

printed and downloadable electronic format during the financial year.

*The Spec* remains a key method of keeping stakeholders informed of the work and activities of the Inspectorate and its circulation remains steady at over 1000 copies per edition.

*The Spec* continues to be valued by management and members of the Inspection Team. Feedback received by CJI about the newsletter continues to be favourable and CJI hopes this positive view of *The Spec* will be maintained in 2008-09.

## Omnibus survey

Criminal Justice Inspection's third omnibus survey was carried out by NISRA, the Northern Ireland Statistics and Research Agency, in January 2008.

The Inspectorate values the survey as an independent, impartial method of assessing public knowledge of the organisation and public confidence in CJI's ability to discharge its responsibilities effectively.

The survey revealed public confidence that the organisation operated independently of Government had increased by 15% compared to the previous year.

It also recorded an increase in the public's confidence that CJI would inspect the criminal justice system in a fair manner.

Survey results also showed there was good public awareness of the key areas of the Inspectorate's business and that one in four people had heard about CJI.

The results of the Omnibus survey are welcomed by CJI and will contribute to the future development of the organisation as it moves into a new corporate planning cycle.

## CJI website development

In December 2007 a review was carried out of the CJI website. The findings indicated that the existing site was in need of modification and upgrading to improve accessibility for all members of the community.

Three web design companies were approached regarding the modification of CJI's site and after initial discussions, the most cost effective way of improving the existing site was found to be a redesign project incorporating the best elements of the existing site into a new site.

In January 2008 the contract for CJI's new website was awarded to Biznet IIS. Since



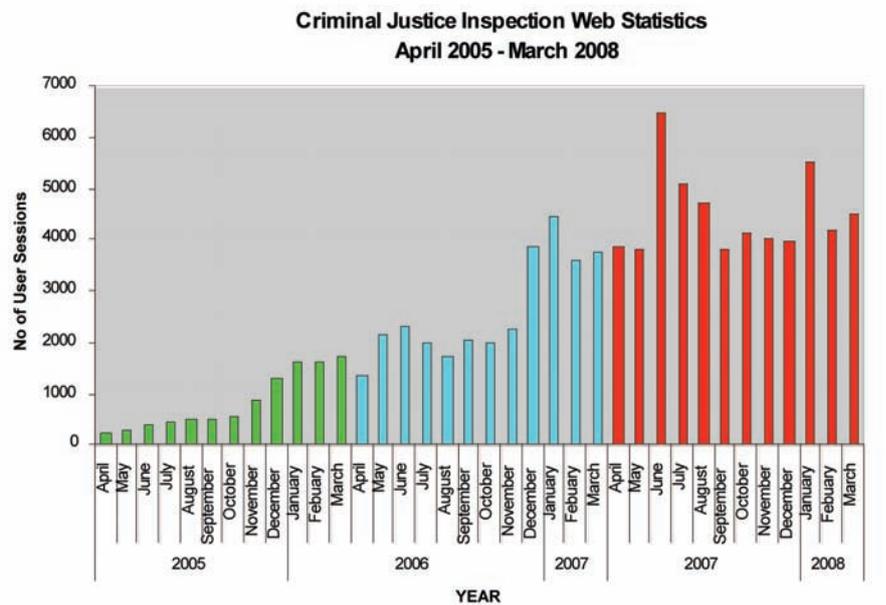
then, CJI's IT Systems Administrator has been actively working to take the project forward.

The new site will comply with CJI's style guide and will feature a number of new features including:

- a 'Latest News' section;
- a 'Keep me informed' section where visitors to the site can subscribe to specific areas of interest;
- a 'Frequently Asked Questions' page;
- a site map to assist users in navigating their way around the new website; and
- an intranet site for CJI staff.

Once the design and development is complete, the website will be populated with CJI inspection reports, reviews and other material with a view to launching the new look site during 2008-09.

The decision to upgrade the existing site was also influenced by the ever increasing number of monthly user sessions being recorded by the Inspectorate. This graph shows the number of sessions in 2007-08 compared with previous years.



## IT systems development

### Broadband

At the beginning of the financial year, CJI decided to install Broadband for home workers to replace the existing 'dial-up' system. This was to facilitate faster, easier access to the CJI server via the internet in order to access e-mail and research documents provided by stakeholders while inspections are underway. This facility has increased the flexibility of the organisation and was warmly welcomed by senior management and Inspectors, who would when appropriate, work from home.

## Hardware/Software contract

The CJI IT Hardware/Software three-year contract with BT (formally CARA) finished at the end of August 2007. Tenders for contract were circulated by Department of Finance and Personnel, Central Procurement Directorate in August 2007.

A new initial two-year contract was subsequently awarded to Northgate Information Solutions in September 2007.

## Business Support

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

The last financial year was again a time of change within Business Support.

The responsibilities of Business Manager, which were combined with position of Officer Manager in the previous financial year, continued to be fulfilled by Sean Deegan.

The Business Support Team continues to provide a range of functions including finance, personnel and IT and inspection support. They have also continued to demonstrate flexibility and enthusiasm in support of the work of the Media and Communications Officer. The Business Support Team continue to maintain their on-going efforts to improve existing systems and processes to support CJI's Inspectors and maintain an efficient, effective organisation.

## Skills for Justice

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

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



**Brendan McGuigan**  
*Chief Executive and  
Accounting Officer*

2nd October 2008



# CJI Audit Committee Report 2007-08

With being such a small organisation, the development of an effective audit committee has provided some challenges for CJI. In keeping with the terms of reference, the CJI Audit Committee met twice during the reporting year: September 2007 and February 2008.

At the September meeting the Internal Audit Report was presented by the Audit Manager from Moore Stephens. The report contents were discussed with the auditors and management's comments and actions were noted. The development of the Audit Recommendation Tracker Report was also considered in relation to the prior year's recommendations. The overall assurance opinion of the auditors was discussed, based on the scope of internal audit activity. The Committee noted that "*CJI has a framework of control which provides reasonable assurance regarding the effective and efficient achievement of its objectives*". This is the second highest classification of assurance used by the auditors with the highest being 'Absolute Assurance'.

The Committee thanked Moore Stephens for their services. CJI sought clarity from the NIO Procurement Unit as to when the successful provider for the next three-year period would be known. To enhance corporate governance arrangements several matters were being addressed. Representation was made by the Committee to secure a Non-Executive person to the Chairperson post. Also, the Committee was advised that risk management processes were being further developed and embedded within CJI which would result in more regular reviews of the risk register.

During the February meeting, consideration was given to Department of Finance and Personnel (DFP) guidance in relation to standardisation of audit opinions and the appointment of consultants to internal audit and possible conflicts of interests. The Committee noted these with particular reference to the letting of the new contract for Internal Audit Services. The Committee also reviewed the revisions to the Risk Register and the development of the Risk Chart highlighting to all

staff the key risks and the associated assessment of likelihood and impact should the risk materialise. The content and advice within the external auditor's Management Letter was considered and the Committee welcomed the assurance from management that all issues had been addressed.

On reflection at the end of this period, the work of the Audit Committee has now become firmly established as part of the Inspectorate's governance processes. The following period will provide new challenges to further enhance control including the appointment of a Non-Executive Chair and the appointment of Internal Auditors for the new contracted period.



**John Shanks**  
Chair of CJI Audit Committee

March 2008



# Objectives of the Criminal Justice System in Northern Ireland

## Constituents of the Criminal Justice System

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



- The Police Service of Northern Ireland (PSNI);



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



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



NORTHERN IRELAND PRISON SERVICE

- The Northern Ireland Prison Service (NIPS);



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



- The Youth Justice Agency (YJA).

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

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

By contrast, there are other agencies, such as HM Revenue and Customs and the Assets Recovery Agency, (which is now part of SOCA, the Serious and Organised Crime Agency) that are important players in the criminal justice system but which are excluded from the remit of CJI.

The Court Service came under the remit of CJI during 2007-08 as a result of s.45 of the Justice and Security (Northern Ireland) Act 2007. Prior to this the Court Service had, with the Lord Chancellor's agreement, participated voluntarily in thematic inspections.

## Ministerial responsibility

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

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

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

## Government objectives for the Criminal Justice System

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

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

### Objective 2

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

### Objective 3

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

### Objective 5

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

### Objective 6

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

### Objective 7

*To ensure a cost effective prison service.*

# Inspection Reports and Action Plan Reviews/Inspection Follow-Up Reviews

This section summarises the findings of the Inspection Reports published by CJI in 2007-08. During this year CJI published nine Inspection and five Action Plan Reviews /Inspection Follow-Up Reviews<sup>5</sup> fulfilling its commitment to revisit each inspection report to assess progress against recommendations made and agreed by the various agencies within the criminal justice system.

It should be noted that some major pieces of work undertaken by CJI in 2007-08 were not published until 2008-09. This includes the first inspection of Roads Policing in collaboration with HMIC and the Garda Síochána Inspectorate, an inspection relating to Anti-Social Behaviour Orders and a review of the Woodlands Juvenile Justice Centre.

## Northern Ireland Alternatives

In February 2007, the Government published its Protocol for Community-Based Restorative Justice (CBRJ) schemes, setting out the principles that it would require schemes to observe if they were to receive official accreditation.



Kit Chivers presents a copy of the Northern Ireland Alternatives report to the then Criminal Justice Minister David Hanson MP.

CJI was invited by the Minister for Criminal Justice to conduct a preliminary inspection of four schemes operating in Loyalist areas, under the supervision of Northern Ireland Alternatives, that had applied for accreditation.

The purpose of the inspection led by Kit Chivers, was to see how ready the four schemes were to comply and operate in accordance with the Protocol and accordingly be accredited.

The inspection revealed the schemes – which had their origins as ‘alternatives’ to paramilitary beatings – had diversified their activities. The majority of the activities they

were involved in consisted of mediation between victims and offenders, diversionary work with young people and sustained therapeutic work with particularly difficult children.

CJI found that the schemes were still receiving some referrals from the paramilitaries, but the majority came from within the community, with little of the work being undertaken falling within the scope of the Government Protocol.

Inspectors found that the schemes operated in a professional way and (with one exception) kept good records.

<sup>5</sup> Action Plan Reviews/Inspection Follow-Up Reviews produced during the accounting period are published electronically on CJI's website – [www.cjini.org](http://www.cjini.org). Parliament is made aware of the content of these reports through the Annual Report and Accounts.

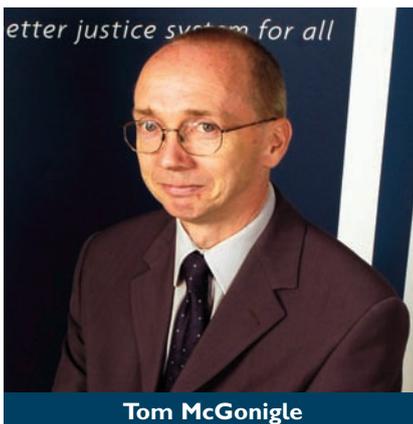
A number of recommendations aimed at improving the consistency and quality assurance of the four schemes, including placing their governance arrangements on a better footing, were made in the inspection report which was published in April 2007.

As there was nothing that gave rise to concern about the propriety of what the schemes were doing, the Inspectorate's report overall was positive.

The schemes accepted the findings of the inspection and were subsequently accredited by Government in October 2007.

## Northern Ireland Prisoner Resettlement Strategy

CJI reported on the findings of its inspection of the Northern Ireland Prisoner Resettlement Strategy in June 2007. This inspection, led by Tom McGonigle, showed that good



Tom McGonigle

work was being undertaken by the Northern Ireland Prison Service (NIPS), the Probation Board for Northern Ireland (PBNI) and other agencies.

The strategy – which aims to prepare prisoners for settling back into the community on release from prison – assists in dealing with matters such as accommodation, training, employment and benefits, in an effort to reduce their likelihood of re-offending.

CJI found progress had been made since 2003 when the strategy was launched, and that the criminal justice agencies and their voluntary sector partners involved in its delivery, were more co-ordinated and focused in their efforts as a result.

Inspectors also found the resettlement work being undertaken in Northern Ireland compared favourably with work ongoing in England, Scotland, Wales and the Republic of Ireland.

Everyone involved in this area of work within the NIPS were clearly committed to the concept of resettlement, yet, their work was regularly undermined by other priorities such as the re-deployment of staff to other duties, and the transfer of prisoners between one facility and another.

The inspection found there was also an undue focus on security at the expense of the rehabilitation and resettlement of prisoners in Northern Ireland.

The NIPS recognises that a better balance needs to be struck and they have implemented a strategy to address these competing priorities. The report also highlighted the need for the Prison Service to share responsibility for the delivery of resettlement with other agencies.

The input of the PBNI in delivering the resettlement strategy was crucial to its success. The voluntary and community sector also made a significant contribution not just by delivering services, but by providing links between the NIPS and the wider community.

However, other agencies – not just those within the criminal justice sector – need to play their part, and better engagement with other agencies needs to be at the core of the next phase of the resettlement strategy.

The report made 19 recommendations. CJI will examine the progress made in taking these recommendations forward when they revisit the subject in three years time.

## Complaints

A collaborative CJI/NICCY inspection report into how



complaints are handled in the criminal justice system was launched in July 2007, alongside parallel work being carried out by the Regulation and Quality Improvement Authority (RQIA) at Lakewood secure unit for children.



Bill Priestley

The thematic study looked at how the seven main criminal justice organisations (CJOs) i.e. PSNI, PBNI, NIPS, YJA, OPONI, NICtS, and PPS, dealt with complaints. The inspection was limited to those complaints made by external recipients of services, as opposed to internal matters such as grievances.

The report found that there is a distinction to be drawn between complaints by those who are 'customers' of the criminal justice system, i.e. members of the public, and 'clients' who are subject to the system.

Inspectors found that in the main, each of the CJOs complaint systems was operating effectively and information was provided in appropriate formats. Processes varied between organisations but generally, those complaints that had been recorded, had been investigated properly and reviewed at the appropriate levels.

Some of the complaints systems, such as the YJA system, had been implemented or reviewed only recently therefore, these processes needed time to become embedded before any further refinement occurred.

Inspectors found that the OPONI were providing a good complaints service in respect of complaints against the police, and the revised NICtS complaints system was operating effectively.

CJI's report indicated that the definition of what constituted a complaint and what should be formally dealt with as a complaint, varied from one CJO to another. While this presented challenges, Inspectors did not feel the introduction of a system-wide definition of a complaint may be beneficial as it could be too generic or restrictive to be of use to the organisations or their customers.

As a variety of external oversight bodies currently supervise complaints against the main CJOs, Inspectors recommended that consideration should be given to developing one complaints oversight body within Northern Ireland for all CJOs.

Individual recommendations were also made in respect of most of the seven organisations aimed at improving their complaints handling processes, and their usage of information gained from complaints to improve service delivery.

Bill Priestley led this inspection for CJI.

## Inspection of the Public Prosecution Service for Northern Ireland

CJI published the results of the first inspection of the Public Prosecution Service for Northern Ireland (PPS) in the summer of 2007.





Paul Mageean pictured with Inspectors from HMCPSI who participated in the PPS inspection

As a result one of the key recommendations made in the report was that in future, PPS lawyers should save in exceptional circumstances, set out clearly to the victim or personal representative their reasoning for directing no prosecution or withdrawing proceedings.

While it was recommended this policy should apply to all future cases, the inspection team recognised that it was in the public interest that it also applied to historical cases and particularly those being investigated by the Historical Enquiries Team (HET).

The independence of the PPS in terms of its status and decision-making was also examined during the inspection.

Currently the PPS is funded by the NIO but is subject to the superintendence of the Attorney General. This reflects the situation which existed in relation to the old office of the Department of Public Prosecutions (DPP).

However, the superintendence of the Attorney General is very different from what might be expected in a normal Minister/Department relationship because it tends to concentrate solely on decision-making as opposed to performance or other managerial issues. Inspectors

The report – which was placed before Parliament in July before recess commenced - made 17 recommendations for change within the PPS and identified another 21 issues to address for the organisation.

At the beginning of the inspection, Kit Chivers formally delegated his power to inspect the PPS to the Chief Inspector of the Crown Prosecution Service, Stephen Wooler. The inspection was carried out by a team comprising Inspectors from the CPSI and CJI.

Each of the PPS regions were visited with Inspectors speaking to a range of consultees including representatives of other statutory agencies, the judiciary, defence lawyers, political representatives, and non-Governmental organisations.

A representative sample of more than 300 PPS files were examined as part of the inspection which focused on the extent to which the PPS is meeting its aim of providing a fair, independent and effective service.

A number of issues were examined during the course of the inspection one of which was the giving of reasons when decisions are taken not to prosecute or to withdraw cases. The practice of the PPS until now has been, in the main, not to give detailed reasons when such decisions are taken. During the inspection, Inspectors found that, although the PPS Code for Prosecutors did allow reasons to be given to the victim upon request, in most cases, this was only done in very general terms.

recommended that the PPS be placed on a sound footing as an independent government department and made a recommendation to this effect.

The report highlighted the significant progress that has been made by the PPS in rolling out its operations across the whole of Northern Ireland. The opening of regional offices was viewed as a major development in the process of establishing public confidence.

In support of this effort, Inspectors urged the PPS to progress the opening of regional offices in Derry/Londonderry, Omagh and Newry at the earliest opportunity to ensure the development of relationships between the PPS and communities that might, in the past, have been estranged from the criminal justice system.

## Enforcement in the Department of the Environment

CJI published its report on enforcement in the Department of the Environment (DoE) and its three Executive Agencies: Environmental and Heritage Service (EHS); Planning Service (PS); and the Driver and Vehicle Agency (DVA) in October 2007.

Inspectors recommended that a more co-ordinated and cohesive approach to enforcement should be developed by the DoE and its Executive Agencies which provides a clear statement of intent on enforcement, and is supported by new organisational structures.

This should include a single enforcement office within the EHS and an integrated enforcement unit within the DVA. A distinctive enforcement unit or office would also be desirable if an Environmental Protection Agency were to be set up.

The report recommended that more streamlined structures, policies and procedures should be developed to ensure a more robust response to deliberate breaches, serious crimes and for persistent and/or hard core offenders.



Inspectors also suggested that a more intelligence-led approach to enforcement could be implemented through better partnerships with other Law Enforcement Agencies and more robust criminal investigations and prosecutions. A core skill set for enforcement staff should be developed which should be linked to career development, training and access to learning and best practice. The report indicated that key tools for the job need to be standardised across the different agencies taking account of specific health and safety concerns.

Inspectors recommended that management information systems should be improved to aid enforcement and better report performance to managers and the public.

Analysis of available information by Inspectors pointed towards a lot of enforcement activity but a relatively small number of prosecutions. It is recognised that much of this activity will lead to compliance (e.g. reductions in motor tax evasion) but there is a concern that certain criminal offences are either not fully investigated or prosecuted in the courts due to resource constraints, competing demands within the agencies, and some specific weaknesses in enforcement procedures.

Deterring future crime against the environment requires an enforcement system that leads to appropriate sanctions. Inspectors recommended the development of a specialist legal jurisdiction for environmental crime and would want to see full utilisation of powers with regard to the recovery of investigation costs and implementation of the 'polluter pays' principle.

The latter, when accompanied by effective enforcement, is likely to be an effective deterrent for most offenders.

The inspection was led by James Corrigan.

## Community Restorative Justice Ireland

During the 2007-08 financial year CJI also made a preliminary inspection of eight community-based restorative justice schemes in Nationalist areas operating under the auspices of Community Restorative Justice Ireland (CRJI).

Four of the schemes were based in Belfast with another four located in Derry/Londonderry.

CJI found this inspection to be a complex task as the volume of cases was greater than that of other community-based restorative justice organisations and included – particularly in Belfast – some more significant criminal business. The majority of cases though involved non-criminal work such as mediating neighbour disputes.

In an effort to take into account some differences in the character and their method of operation, CJI reported separately on the two sets of CRJI schemes in Belfast and Derry/Londonderry.

The findings were largely positive in each case. Inspectors found, as with Northern Ireland Alternatives, that the schemes were behaving in a proper way. Their work was widely valued in the



Kit Chivers discusses the report recommendations with CRJI Director Jim Auld.

areas they served and there was no evidence that anyone was being coerced, either by explicit or implied threat from the paramilitaries, into taking part.

Record keeping in Belfast was found to be good however Inspectors identified areas where improvements could be made to the record keeping of the Derry/Londonderry schemes.

The findings of the inspection report, which was published in October 2007, were accepted by the CRJI schemes. The report recommended the schemes should aim to represent themselves publicly so as to emphasise that they were a service open and available to all sections of the community equally.

CJI also urged the schemes to continue to move in the direction of distancing themselves from anything not approved by the PSNI that could be viewed as

‘alternative policing’.

In February 2008 the schemes declared that they were ready to comply with the Government Protocol. CJI will report on this follow-up inspection in its 2008-09 Annual Report.

### Causeway Information System

The second report on the Causeway IT system, which aims to improve the way local criminal justice agencies share information, was published in October 2007.

It measured progress against recommendations made in the CJI ‘*Connecting Criminal Justice*’ report published in July 2006. Inspectors found that delivery of the second phase of the programme (DSM 1) was achievable in June 2008 in line with its revised timetable. However, Causeway was described by Inspectors as a high-risk programme subject to many risks and pressures.

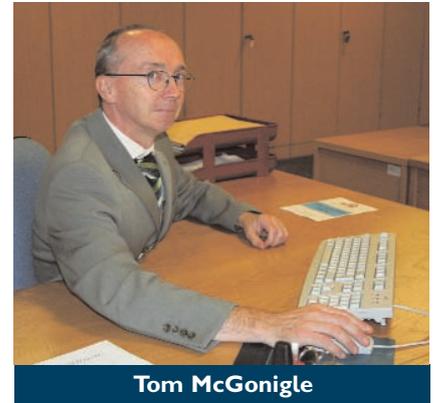
The review led by Bill Priestley found that two thirds of the recommendations made in the first CJI report had been achieved, and that the participating criminal justice agencies had moved to provide the necessary resources to support the programme.

A more robust management structure had also been established which improved the chance of delivery being on schedule, but there remained potential for further delay to the programme.

Agencies were found to have worked hard to address recommendations made in the initial report. The PSNI had devised a training strategy to deliver the Niche RMS case preparation system, and the PPS has put in place a monitoring system for the early identification of cases with the potential to become statute barred.

The report found that an investment appraisal of the next two stages of Causeway will be carried out in 2008. CJI hopes funding will be approved to enable the outstanding stages of the project to be delivered on schedule.

The report concluded that Causeway remains a critical part of the strategy to deliver the criminal justice reform agenda and looks forward to full implementation by December 2009.



Tom McGonigle

### Serious Case Review – The management of sex offenders in light of the murder of Attracta Harron (2nd Report)

In November 2007, Criminal Justice Inspection published its follow-up report into the work undertaken by Northern Ireland’s criminal justice agencies to improve the management of risk posed by sex offenders.

The follow-up inspection examined progress made against previous CJI inspection recommendations for the PSNI, the Prison Service and the Northern Ireland Sex Offender Strategic Management Committee (NISOSMC).

The inspection found that, since CJI initially inspected the multi-agency arrangements for sex offender management in 2005, and reviewed these arrangements in a report published in December 2006 following the murder of

Strabane pensioner Attracta Harron, tangible progress had been made.

Inspectors found the PSNI had improved its sex offender risk management and specific targets relating to police investigation of sexual offences – and their contribution to the process of managing sex offenders by regularly reviewing high risk cases – were now included in the 2007-10 Northern Ireland Policing Plan.

Significant resources were being dedicated towards managing the risk posed by sex offenders, and CJI suggested the police should reflect this further by setting targets in local Policing Plans for their work in managing sex offenders.

Inspectors also suggested in their report that some police officers would benefit from additional training in how to undertake visits to offenders in the community; and that obtaining access to ViSOR – the PSNI's Violent and Sexual Offender Register – needed to be simplified.

The value of including 'potentially dangerous persons' (PDPs) within the MASRAM arrangements, was highlighted as a development which should strengthen public confidence.

CJI commended the practice of managers randomly checking high risk sex offender case files to ensure that everyone involved in this work was meeting expectations.

Random case sampling was already central to the work of the PBNI, and Inspectors recommended it should be routinely applied by the Prison Service and the PSNI, as they work to fulfil their risk management functions.

In a bid to further strengthen current arrangements, CJI called on the NIPS to enhance their contribution to the management of sex offender risk by providing additional resources to support its MASRAM work, and ensuring staff were properly trained to undertake the various roles they were required to fulfill.

The inspection was led by Tom McGonigle.

### Youth Conference Service

CJI published a predominantly positive inspection report into the Youth Conference Service (YCS), part of the Youth Justice Agency (YJA), in February 2008.

The inspection found that the YCS was delivering an effective and useful service. However, Inspectors felt the organisation



Photo courtesy of the Youth Justice Agency.

was operating at the boundary of its capacity under its present structures and resources. They also raised concerns that the quality of the process may be jeopardised as a result of this.

Inspectors found that staff and management were very focused on providing a restorative system that worked for young offenders as well as for victims. Staff were aware of, and worked hard at, getting the balance right between the needs of offenders and victims.

The inspection team, led by Bill Priestley, found that separate elements of the YJA, Community Services (CS) and the YCS, had had to work more closely together even though their approach to youth justice differed.

Effective partnerships had been developed with statutory agencies and with organisations from the voluntary and community sector. Referrals from both the courts and PPS had increased after initial difficulties and, at the time of

inspection, the YCS had been dealing with a referral rate of around 2000 cases a year.

The report found there was some overlap between the work of the YCS and the Probation Board (PBNI) as often they had been dealing with the same young persons.

CJI's report recommended that a system-wide review of current practices in youth offending should be conducted, with the aim of developing a clearer, more integrated system with restorative practice at its core.

More support and training was recommended for staff who deal with offences of a sexual nature to ensure sensitive cases were handled correctly, especially as the number of such cases is likely to increase when legislation is amended in 2008.

Difficulties in sending persistent offenders to conference where a young person had already experienced multiple conferences emerged as an issue. Inspectors recommended that data should be gathered to effectively examine this area of concern.

At the time of the inspection there were no reliable figures to show how effective conferencing is in reducing re-offending compared to the conventional justice system.

However, Inspectors were convinced in principle of the value of the restorative approach.

### **ACTION PLAN REVIEWS/INSPECTION FOLLOW-UP REVIEWS**

#### **Compensation Agency**



In June 2007 CJI published a follow-up review of progress made by the Compensation Agency to implement recommendations contained in its initial inspection report of January 2006.

Inspectors found that half of the recommendations contained in the initial inspection report had been achieved, and the Compensation Agency was fully committed to implementing the outstanding recommendations.

Inspectors noted that the Agency had already developed more accessible management information reports and more formal communication processes with its major stakeholders.

At the time of publication, the Agency had not been able to facilitate the electronic transfer of completed claim application

forms due to IT security issues. The strategic links with PSNI had still not been established, though senior managers were about to take this forward.

Overall, the follow-up review confirmed that the Compensation Agency continues to deliver a valuable and necessary service to victims of violent crime, and that it remains an interesting and challenging place to work.

Brendan McGuigan led this inspection for CJI.

#### **PSNI Scientific Support Services**

A joint CJI/HMIC follow-up review of Scientific Support Services within the PSNI was published in August 2007.

The review, led on behalf of CJI by James Corrigan, examined the progress made by the PSNI in implementing the 25 recommendations of the original inspection report published in 2005. Inspectors were encouraged by the progress that had been made in



areas such as the appointment of a clear 'champion' for volume crime and the formation of a forensic strategy group.

A better resourced submissions unit has been established which operates to a robust Service Level Agreement, and a priority system is now in place that recognises the growing importance of volume crime. It also facilitates the logging of submissions with FSNI.

Inspectors however found some areas where progress was limited. This included the need for improved forensic awareness. While a five-day scientific evidence model is now included as part of the Student Officer initial training programme at the PSNI College, there is still a need for ongoing training for front line officers.

## Forensic Science Northern Ireland

James Corrigan carried out a follow-up review of CJI's 2005 *Inspection of Forensic Science Northern Ireland (FSNI)* in August 2007. The review looked at the work undertaken to progress the original recommendations contained in the report, and the Action Plan prepared by FSNI in conjunction with the NIO.



Photo courtesy of FSNI

Following an assessment of the progress that had been made, Inspectors concluded that 13 of the 35 recommendations could be 'signed off'.

They also agreed that the overall quality of the science is good and that quality is a priority for the Agency with UKAS accreditation having been maintained and extended.

CJI however found there was a lack of progress in key areas such as corporate governance, accountability arrangements, succession planning and building relationships with key customers.

Inspectors were assured that a more robust approach to these issues was underway including the introduction of new corporate governance structures, the implementation of a performance management

framework and strengthening relationships with the PSNI.

The review found that regular strategic and joint planning meetings between FSNI's management team, senior officers within the PSNI and the NIO were taking place.

The report stated that cementing these changes and delivering performance improvement required some risk-taking by the NIO in terms of helping to deliver better corporate governance and accountability, and providing funding to the Agency for the recruitment of additional Directors.

The need to expedite decisions on the provision of a new/renovated forensic science building (e.g. should it cater for all current services, focus on some key services or have

flexibility to expand/contract) was also highlighted.

It was the view of CJI that the top level arrangements were coming into place and that this would now need to be cascaded throughout the organisation.

CJI therefore proposed to undertake a full inspection of FSNi during 2008-09.

## Office of the Police Ombudsman for Northern Ireland



A follow-up review of the Office of the Police Ombudsman for Northern Ireland (OPONI) was carried out by Bill Priestley during the 2007-08 financial year.

The review found that the OPONI had implemented the majority of the 13 major and 14 minor recommendations made by CJI in its inspection report of 2005.

The recommendations had been pursued by allocating them to appropriate Directors within the OPONI. Before the inspection review commenced, CJI was provided with a detailed breakdown of progress on each recommendation.

Outreach and consultative work was found to have improved since the original inspection as had the level of work undertaken to secure a community and stakeholder perspective on the OPONI. An independent consultative group had been established involving representatives of the Northern Ireland tenant's Action Project, and the group had assisted in looking at ways to improve complainant co-operation.

The exchange of information between the PSNI and the OPONI was now being handled electronically and as a result, documents were found to be provided in a more efficient and timely manner.

Letters issued to complainants when an investigation had been 'closed' by the OPONI had also improved as this correspondence now contained a summary of the action taken. Inspectors found that efforts were continuing to improve the consistency of follow-up letters.

Inspectors were disappointed that a recommendation to implement targeted presentations for Detective officers in police districts had not been achieved. However, other outreach work which the Office was progressing with the Police Service had ensured coverage of CID officers had increased through presentations to officers participating in Detective training programmes.

The Inspectorate found the Police Ombudsman's Office had shown commitment to achieving the recommendations set out in the original report, and CJI repeated its original finding that the OPONI was an effective and efficient organisation which was keen to make further developments.

Inspectors were satisfied there was enough impetus within the OPONI to fully carry through any outstanding recommendations without a further inspection review taking place.

## Provision of Care for Victims and Witnesses within the Criminal Justice System in Northern Ireland

In 2005 CJI undertook a cross cutting thematic inspection into the *Provision of Care for Victims and Witnesses within the Criminal Justice System in Northern Ireland*.

The inspection aimed to ensure that effective mechanisms were in place to increase the confidence of victims and witnesses, so that they would fully participate within the criminal justice system in Northern Ireland.

It was envisaged that if the best possible care and attention was afforded to victims and witnesses, together with good support systems, then more people would voluntarily come forward to help achieve good outcomes which would ultimately help protect society in general.

In 2005, CJI made a series of recommendations structured under four themes. They were: those considered to be strategically key; in relation to the development of strategies, policies and plans; necessary to improve communication; and specifically about special measures.



John Shanks

During 2007-08 John Shanks undertook a review of the progress made since the original report was published. The review was guided by the work of the criminal justice agencies and other partners who co-ordinated their activities through the work of the Victims, Vulnerable or Intimidated Witnesses Steering Group (VVIW).

During the review CJI assessed the progress made in taking forward the agreed recommendations, taking account of the published timeframes detailed within the Action Plan. CJI also met with key stakeholders to confirm and gather evidence to validate progress.

Inspectors found a number of significant recommendations had been achieved including the establishment of a Victim and Witness Strategy, and the establishment of a PSA target in relation to victims and witness service delivery.

All criminal justice organisations were found to have victim and witness policies in place. CJI found the Witness Services had been extended from the Crown Courts to the Magistrates' courts, and a Young Witness Service was also being piloted in Magistrates' and Youth Courts.

Inspectors noted that additional work was required to progress a further 12 outstanding recommendations. The review acknowledged that the change programme on-going within the criminal justice system will deliver other challenges in areas impacting on victims and witnesses.

CJI intends to continue its focus on the needs of victims and witnesses. It will be requesting regular updates from the Criminal Justice Board and maintaining a close interest in the development of annual plans from the Victims and Witness Strategy as well as monitoring progress to determine future plans for inspection activities.

# Remuneration Report

## Remuneration Policy

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

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

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

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

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

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

## Service Contracts

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

includes the circumstances when appointments may otherwise be made.

With the exception of the Chief Inspector who is on a fixed term contract, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

## Salary and Pension Entitlements

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

## Remuneration

(audited information)

	2007-08		2006-07	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr K Chivers Chief Inspector	90 - 95	16,100	90 - 95	16,100
Mr B McGuigan Deputy Chief Inspector	65 - 70		60 - 65	

## Salary

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

## Benefit-in-kind

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

## Civil Service Pensions

(audited information)

Name	Accrued pension at pension age as at 31/03/08 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/08	CETV at 31/03/07	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr B McGuigan	0 - 5	0 – 2.5	80	52 *	18
	0	0			

\* Due to certain factors being incorrect in last years CETV calculator there may be a slight difference between the final period CETV for 2006-07 and start period CETV for 2007-08.

Pension benefits are provided through the Civil Service Pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium**, or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with

changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (**partnership** pension account). Employee contributions are set at the rate of 1.5% of pensionable earnings for

before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004. 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 panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the 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

figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

## Real increase in CETV

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

Details of pensions within Accounting Policies can be located at paragraph 1(h) of Note 1 to the Accounts (see page 56).

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

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

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

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

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



**Brendan McGuigan**

*Chief Executive and Accounting Officer*

2nd October 2008

# 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 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 Managing Public Money. 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 2008 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; and
- a report by the internal auditors appointed by CJI who carried out an audit of its systems in February 2008.

## 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; and
- an Audit Committee has been established which meets twice each year.



**Brendan McGuigan**

*Chief Executive and Accounting Officer*

2nd October 2008



## Section Two

### Accounts 2007-08

# 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 2008 under the Justice (Northern Ireland) Act 2002. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

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

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland. I report to you whether, in my opinion, the information, which comprises the Management Commentary included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chief Inspector's Report, the CJI Audit Committee report, Objectives of the Criminal Justice System in Northern Ireland, Inspection reports and Action Plan reviews/Inspection Follow-Up reviews 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.

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland, of the state of Chief Inspector of Criminal Justice's affairs as at 31 March 2008 and of its net operating cost for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and directions made thereunder by the Secretary of State for Northern Ireland; and
- information, which comprises the Management Commentary, included within the Annual Report, is consistent with the financial statements.

### **Opinion on Regularity**

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

### **Report**

I have no observations to make on these financial statements.

### **Tim Burr**

*Comptroller and Auditor General*

29th October 2008

National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS

## Operating Cost Statement for the year ended 31 March 2008

	Note	Year ended 31 March 2008 £	Year ended 31 March 2007 £
<b>Operating expenditure</b>			
Staff Costs	3	817,376	720,499
Other operating expenses	4	490,179	445,644
Depreciation	6	61,813	59,252
Notional Costs	5	17,746	17,480
Permanent diminution	6	743	3,035
<b>Total operating expenditure</b>		<b>1,387,857</b>	<b>1,245,910</b>
Credit in respect of notional costs and cost of capital	5	(17,746)	(17,480)
<b>Net operating cost for the year</b>		<b>1,370,111</b>	<b>1,228,430</b>

## Statement of total recognised Gains and Losses for the year ended 31 March 2008

		2008 £	2007 £
Net Operating Cost for the year	11	1,370,111	1,228,430
Net gain on revaluation of fixed assets	12	(10,921)	(6,542)
Realised element of depreciation transferred to general fund	12	3,365	2,505
<b>Total recognised losses for the year</b>		<b>1,362,555</b>	<b>1,224,393</b>

The notes on pages 55 to 64 form part of this account.

## Balance sheet as at 31 March 2008

	Note	31 March 2008	31 March 2007
		£	£
<b>Fixed assets</b>			
Tangible Assets	6	354,817	394,056
		<u>354,817</u>	<u>394,056</u>
<b>Current assets</b>			
Cash	7	2,405	102,229
Prepayments	8	20,193	19,995
Debtors	9	-	-
		<u>22,598</u>	<u>122,224</u>
<b>Current liabilities</b>			
Creditors due within one year	10	(86,760)	(66,435)
		<u>(86,760)</u>	<u>(66,435)</u>
<b>Net current assets/(liabilities)</b>		<u>(64,162)</u>	<u>55,789</u>
<b>Total assets less liabilities</b>		<u><b>290,655</b></u>	<u><b>449,845</b></u>
<b>Financed By:</b>			
<b>Capital and Reserves</b>			
General Fund	11	257,236	423,982
Revaluation reserve	12	33,419	25,863
		<u><b>290,655</b></u>	<u><b>449,845</b></u>

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



**Brendan McGuigan**  
Chief Executive and Accounting Officer

2nd October 2008

The notes on pages 55 to 64 form part of this account.

## Cash flow statement for the year ended 31 March 2008

	Note	2007-08	2006-07
		£	£
<b>Net cash outflow from continuing operating activities</b>	13	(1,287,428)	(1,109,732)
<b>Capital expenditure</b>			
Payments to acquire fixed assets	6	(12,396)	(18,087)
<b>Cash outflow before Financing</b>		<u>(1,299,824)</u>	<u>(1,127,819)</u>
<b>Financing</b>			
Grant-in-aid	2	1,200,000	1,150,000
<b>Increase/(Decrease) in cash</b>	7	<u><u>(99,824)</u></u>	<u><u>22,181</u></u>



**Brendan McGuigan**  
Chief Executive and Accounting Officer

2nd October 2008

The notes on pages 55 to 64 form part of this account.

# Notes to the Accounts

## 1. Accounting Policies

### (a) Basis of accounts

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

### (b) Accounting conventions

The accounts meet:

- 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;
- standards issued by the Accounting Standards Board;
- disclosure and accounting requirements of the Treasury; and
- the requirements of the Accounts Direction and the Financial Memorandum issued to CJI by the Secretary of State for Northern Ireland.

### (c) Income

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

### (d) Fixed assets

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

### (e) Depreciation

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

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

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

**(f) Notional charges**

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

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

**(g) Value added tax**

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

**(h) Pensions**

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

## 2. Income

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
<b>HMG</b>		
Grant-in-aid received from the Northern Ireland Office, Request for resources 1, for revenue expenditure	1,187,604	1,138,913
<b>HMG</b>		
Grant-in-aid received from the Northern Ireland Office, Request for resources 1, for capital expenditure	12,396	11,087
Total Grant-in-aid received	<u>1,200,000</u>	<u>1,150,000</u>

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 £110,562 (£108,689 in 2006-07). 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 2008 £	Year ended 31 March 2007 £
<b>Amounts payable in respect of directly employed staff of CJI:</b>		
Salaries and emoluments	593,747	499,338
Social security contributions	55,919	46,629
Pension contributions	114,313	85,750
<b>Total direct employee staff costs</b>	<u>763,979</u>	<u>631,717</u>
<b>Amounts payable in respect of staff on secondment</b>	<u>53,397</u>	<u>88,782</u>
<b>Total Staff Costs</b>	<u>817,376</u>	<u>720,499</u>

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

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

	2008	2007
<b>Directly employed by CJI staff</b>		
Management	2	2
Inspectors	6.75	6.5
Inspection Support	1.25	0.5
Media and Communications	1	1
IT Systems Administrator	1	1
Business Support	1	1
Personal Assistant	1	1
<b>Seconded</b>		
Business Manager	1	1
<b>Total</b>	<b>15</b>	<b>14</b>

The Principal Civil Service Pension Schemes, PCSPS, and PCSPS (NI) are unfunded multi-employer defined benefits schemes but CJI is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the PCSPS was carried out at 31st March 2007. The most up-to-date actuarial valuation of the PCSPS (NI) was carried out as at 31st March 2003 and an interim valuation of the scheme liability was carried out at 31st March 2005. Details of the PCSPS can be found in the resource accounts of the Cabinet Office; Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)). Details of the PCSPS (NI) can be found in the resource accounts of the Department of Finance and Personnel; Superannuation and Other Allowances (Principal Civil Service Pension Scheme (Northern Ireland)).

For 2007-08, total employer's contributions of £114,313 (2006-07: £85,750) were payable to PCSPS (NI) at one of four rates in the range of 16.5% to 23.5% (2006-07: 16.5% to 23.5%) and PCSPS at one of four rates in the range 17.1% to 25.5% (2006-07: 17.1% to 25.5 %) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2007-08, the salary bands will be revised but the rates will remain the same.

The contribution rates are set to meet the cost of the benefits accruing during 2007-08 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The remuneration report on pages 42 to 44 contains detailed pension information.

#### 4. Other operating expenses

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Inspections	89,735	49,281
Conference fees	35,199	22,660
Printing, stationery, postage and publications	85,282	89,583
Repairs and maintenance	4,433	5,451
Accommodation	178,064	171,893
Computer consumables	23,632	17,113
Professional advisers	28,682	39,358
Hire of equipment	1,718	2,008
Other equipment and expenses	10,553	11,675
Training	2,459	3,577
Hospitality	4,079	3,306
Travel and subsistence	20,843	24,489
Audit	5,500	5,250
Loss on disposal	-	-
	<u>490,179</u>	<u>445,644</u>

#### 5. Notional costs

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Cost of capital	11,128	13,798
Notional administration costs	-	-
Notional personnel costs	6,618	3,682
	<u>17,746</u>	<u>17,480</u>

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

## 6. Tangible fixed assets

	Refurbishment Costs £	Furniture and Fittings £	Office Equipment £	Computer Equipment £	Total £
<b>Cost at 1 April 2007</b>	<b>437,740</b>	<b>34,769</b>	<b>14,374</b>	<b>62,409</b>	<b>549,292</b>
Additions	-	-	12,396	-	12,396
Disposals	-	-	-	-	-
Revaluation	14,384	1,143	1,468	(2,217)	14,778
<b>Cost at 31 March 2008</b>	<b>452,124</b>	<b>35,912</b>	<b>28,238</b>	<b>60,192</b>	<b>576,466</b>
<b>Depreciation at 1 April 2007</b>	<b>115,627</b>	<b>6,121</b>	<b>4,476</b>	<b>29,012</b>	<b>155,236</b>
Provided during the year	43,052	2,318	3,961	12,482	61,813
Depreciation on disposals	-	-	-	-	-
Backlog depreciation	5,214	277	583	(1,474)	4,600
<b>Depreciation at 31 March 2008</b>	<b>163,893</b>	<b>8,716</b>	<b>9,020</b>	<b>40,020</b>	<b>221,649</b>
<b>Net Book Value at 31 March 2008</b>	<b>288,231</b>	<b>27,196</b>	<b>19,218</b>	<b>20,172</b>	<b>354,817</b>
<b>Net Book Value at 31 March 2007</b>	<b>322,113</b>	<b>28,648</b>	<b>9,898</b>	<b>33,397</b>	<b>394,056</b>

### Payments to Acquire Fixed Assets:

	£
Additions	12,396
Change in capital accrual	-
Less asset purchased last year but excluded from listing	-
<b>Amount paid in period</b>	<b>12,396</b>

**7. Cash in bank**

	<b>31 March 2008</b>	<b>31 March 2007</b>
	£	£
Cash in Bank	2,405	102,229
	<u>2,405</u>	<u>102,229</u>

**8. Prepayments**

	<b>31 March 2008</b>	<b>31 March 2007</b>
	£	£
Accommodation	13,072	12,713
Other	7,121	7,282
	<u>20,193</u>	<u>19,995</u>

**9. Debtors**

	<b>31 March 2008</b>	<b>31 March 2007</b>
	£	£
Debtors	-	-

**10. Creditors due within one year**

	<b>31 March 2008</b>	<b>31 March 2007</b>
	£	£
Accruals	7,010	59,740
Capital Accruals	-	-
Other Creditors	79,750	6,695
	<u>86,760</u>	<u>66,435</u>

## 11. Reconciliation of general fund

	<b>General Fund</b>
	<b>£</b>
<b>Opening balance at 1 April 2007</b>	423,982
Grant-in-aid received to fund capital expenditure	12,396
Grant-in-aid to fund revenue expenditure	1,187,604
Transfer from income and expenditure account	(1,370,111)
Transfer from revaluation reserve	3,365
<b>Balance at 31 March 2008</b>	<b>257,236</b>

## 12. Revaluation reserve

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2007</b>	25,863	21,826
Gain on revaluation	16,995	8,812
Backlog depreciation on revaluation upwards	(6,074)	(2,270)
Realised element of depreciation transferred to general fund	(3,365)	(2,505)
<b>Balance at 31 March 2008</b>	<b>33,419</b>	<b>25,863</b>

## 13. Reconciliation of result for the period to net cash flow from operating activities

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Result for the year</b>	(1,387,857)	(1,245,910)
Depreciation	61,813	59,252
Diminution in fixed assets	743	3,035
Loss on disposal of fixed assets	-	-
Notional costs	17,746	17,480
Change in prepayments	(198)	6,595
Change in accruals and other creditors	20,325	49,816
<b>Net cash flow from operating activities</b>	<b>(1,287,428)</b>	<b>(1,109,732)</b>

## 14. Capital commitments

At 31 March 2008 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
<b>TOTAL</b>	<b>87,835</b>	<b>2,008</b>	<b>89,843</b>

## 16. Contingent liabilities

There were no contingent liabilities at 31 March 2008.

## 17. Post balance sheet events

There were no post balance sheet events to report.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on 29th October 2008.

## 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 2008.

## 19. Losses and special payments

There were no losses or special payments during the 12 months ended 31 March 2008.

## 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 2008 are set out below:

#### Primary financial instruments

	<b>Book value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
<b>Financial assets:</b>		
Cash at bank	2,405	2,405
<b>Financial liabilities:</b>		
None	N/A	N/A





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First published in Northern Ireland in December 2008 by TSO for  
CRIMINAL JUSTICE INSPECTION NORTHERN IRELAND

14 Great Victoria Street  
Belfast BT2 7BA  
www.cjini.org

**ISBN 978-0-10-294855-4**

Typeset in Gill Sans  
Printed in Northern Ireland by TSO  
Designed by Page Setup



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

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