

SELECTING THE BEST APPLICANTS AND SUPPORTING DIVERSITY



**NIJAC**

*Northern Ireland Judicial  
Appointments Commission*

**ANNUAL REPORT**

**AND ACCOUNTS**

**2018-19**



**NIJAC**

*Northern Ireland Judicial  
Appointments Commission*

**Northern Ireland Judicial Appointments Commission**

**Annual Report and Accounts  
for the year ended 31 March 2019**

***Laid before the Northern Ireland Assembly by The Executive Office  
under paragraphs 5 and 7 of Schedule 2 to the Justice (Northern  
Ireland) Act 2002, as amended***

***On 8 July 2021***

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# CHAIRMAN'S FOREWORD

On behalf of the Northern Ireland Judicial Appointments Commission (NIJAC) I am pleased to present the Annual Report and Statement of Accounts for 2018-19.

This is the fourteenth Annual Report for NIJAC, and I can report it reflects on some of our many achievements, as well as acknowledging the challenging external environment we continue to work in. In spite of the ongoing financial challenges and the absence of the Northern Ireland Assembly, the Commission has met all of its commitments. I am confident that we will continue to rise to meet these challenges.

NIJAC's Board, known as Plenary, is responsible for ensuring meritorious appointments are made to courts and tribunals in Northern Ireland. As a Board, we report to The Executive Office (TEO) on issues of governance and accountability and we greatly value their support and continued investment in our organisation.

I would like to thank my non-executive colleagues and fellow Commissioners on the Board for their continued commitment and dedication. I would also like to extend my thanks to our Chief Executive Tonya McCormac and the staff for all their support.

I look forward to another year fulfilling our statutory remit to ensure the most meritorious appointments are made based upon open and fair processes. I also welcome hearing from those with an interest in how the Commission can more positively influence those they work on behalf of, should that be the courts and tribunals or the legal and other professions.

***The Right Honourable Sir Declan Morgan  
Lord Chief Justice of Northern Ireland and Chairman of the Northern  
Ireland Judicial Appointments Commission***

# THE PERFORMANCE REPORT

## Overview

This overview aims to provide sufficient information to aid understanding of the Northern Ireland Judicial Appointments Commission, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

## ***Chief Executive's Statement***

I joined NIJAC in August 2018 as Chief Executive and have continued to focus on the delivery of the four key Corporate Business Objectives.

- ***Recruitment & Selection*** - We will strive to meet our statutory duty to ensure a reflective judiciary which is appointed on merit
- ***Our People*** - We will fulfil our commitments through the efforts of skilled and engaged Commissioners, Co-opted Experts and Staff
- ***Working with Others*** - We will work closely with others to deliver our statutory duties and implement best practice, and
- ***Accountability*** - We will make judicial appointments while safeguarding public money and making the best use of our resources.

These objectives are fundamental to how we deliver our business. As demands and priorities increase and change we must ensure that our objectives reflect the environment we work in.

I can report that this year in spite of a challenging external environment with on-going financial pressures and the absence of the Northern Ireland Assembly and local Ministers in terms of decision making we have met all of our commitments. The twelve business objectives within the 2018-2019 Business plan were achieved.

During the reporting period 1 April 2018 - 31 March 2019, NIJAC made 27 recommendations (8 women and 19 men) for judicial appointment (Courts 10, Tribunals 17) and 66 renewals of appointment.

We continue to work within our statutory obligations and, through review and evaluation of our strategies and policies, continually seek to improve. I am very much committed to continuing to build on the work already happening within NIJAC and to working with

colleagues and the Board to deliver meritorious appointments for our courts and tribunals in Northern Ireland.

## **Purpose and Activities**

### **Who we are**

NIJAC is an independent public body which was established to bring about a new system for appointing members of the judiciary in Northern Ireland.

NIJAC was established on 15 June 2005 under the Justice (Northern Ireland) Act 2002, as amended. It is an independent executive Non-Departmental Public Body (NDPB) sponsored by TEO.

As a consequence of the Northern Ireland Act 2009 policing and justice powers were devolved to the Northern Ireland Assembly on 12 April 2010.

The 2009 Act also extended NIJAC's statutory duties as not only a recommending body (for listed judicial offices commonly known as Crown appointments, generally substantive posts) but also as an appointing body (for non-Crown appointments, primarily fee paid posts) which removed this function from Government Ministers and the political process.

NIJAC also has influence over the judicial complement, and determination over certain terms and conditions in agreement with sponsoring departments who hold the budgets for judicial offices.

### **Organisational Structure**

The Commission normally comprises 13 members drawn from the judiciary, legal profession and other professional backgrounds. The Chairman is the Lord Chief Justice of Northern Ireland, Sir Declan Morgan. The 12 other members are ordinarily appointed by TEO, however due to the absence of Ministers within the NI assembly for a period of three years to 11 January 2020 it was not possible to make appointments to the Commission through TEO as this power rests with the First Minister and deputy First Minister. This resulted in the Commission operating for part of the year with no representation from the Court of Appeal, the High Court, the County Court, the Law Society or the Bar Council.

Appointments were made possible however in November 2018 as the Secretary of State for Northern Ireland brought forward legislation (Northern Ireland (Executive Formation and Exercise of Functions) Act 2018) which permitted the Lord Chancellor to make appointments to the NIJAC Board. Steps were taken during the time that appointments were not possible to mitigate the risks such as considering new ways of working and revisiting Standing Orders and Committee Terms of Reference.

The five judicial members are nominated by the Lord Chief Justice. The Bar Council of Northern Ireland and the Law Society of Northern Ireland nominate one member each to serve as legal members on the Commission. The Commission's five lay members who do not hold (or have never held) a protected judicial office and are not (and have never been) a barrister or solicitor are selected and appointed as Public Appointments.

The Commission is supported by 12 staff headed by the Chief Executive, who is responsible for the day to day management of NIJAC.

The Chief Executive is the Accounting Officer (AO) for NIJAC and is therefore responsible to Plenary for the discharge of NIJAC's responsibilities. The AO is also responsible for promoting the efficient, economic and effective use of staff and other resources.

## **Our purpose**

NIJAC is committed to the appointment of the best possible judicial officers for Northern Ireland through fair, open and transparent assessment, selection and appointment processes. See Appendix 1 (page 19).

We recognise and value diversity and seek to promote equality while ensuring that merit remains the guiding principle for appointment.

It is our policy to have due regard to the need to promote equality of opportunity to potential and actual applicants irrespective of gender, marital status, religious belief or political opinion, race, age, disability, sexual orientation, dependant responsibilities or geographical location.



Our aim is to ensure that those who do apply for judicial office will undergo an appointment process that assesses their abilities, qualities and skills fairly and openly. In this way we are confident that those most meritorious will be appointed.

In order to ensure we fulfil our statutory responsibilities we also engage in a programme of action to secure, so far as it is reasonably practicable, that appointments to judicial office are reflective of the community in Northern Ireland.

Our business model is underpinned by seven key principles which reflect our values and underpin our Corporate Objectives.

- **Independence** – we will ensure NIJAC fulfils all of its statutory obligations, free from any political influence or interference
- **Merit** - we will appoint and recommend for appointment applicants solely on the basis of merit
- **Diversity** - we will implement a programme of action designed to support our aim to achieve, as far as reasonably practicable, a judiciary that is reflective of our society
- **Fairness** - we will be fair in our decision making
- **Transparency** - we will be open about our policies, procedures and activities
- **Accountability** - we will explain our activities and where appropriate the reasons for our decisions, and
- **Partnership** - we will work closely with interested parties to share learning and to progress and inform our work.

## Corporate Objectives

- **Recruitment & Selection** - We will strive to meet our statutory duty to ensure a reflective judiciary which is appointed on merit
- **Our People** - We will fulfil our commitments through the efforts of skilled and engaged Commissioners, Co-opted Experts and Staff
- **Working with Others** - We will work closely with others to deliver our statutory duties and implement best practice and

- **Accountability** - We will make judicial appointments while safeguarding public money and making the best use of our resources.

## Key Risks and Issues

The main issues and associated risks identified at the start of the 2018/2019 that could have affected NIJAC in delivering its objectives included:

- Breaches of confidentiality and speculation around high profile schemes, causing misinformation and potential for reputational damage
- Sufficient capacity, expertise and knowledge in staff available to ensure the business delivers its priorities
- Loss of Commissioners and representation of the legal professions.
- Delays in the appointments process
- Ability to operate within allocated budget to deliver statutory duties, and
- Risk to ability to make judicial appointments with the potential reduction in 2018-19 Budget, particularly if no co-tenant was found for Head Line Building or alternative accommodation was provided at reduced cost

In order to manage these effectively NIJAC's approach to Risk Management ensured risks were identified, evaluated, controlled and escalated. NIJAC is committed to establishing and maintaining a systematic approach to the identification and management of risk. Risk Management is fully integrated into NIJAC core business through a number of measures:

- Clearly defining the roles, responsibilities and reporting lines within NIJAC for risk management
- Including risk management issues when writing reports and considering decisions
- Continuing to demonstrate the application of risk management principles in the activities of NIJAC, its employees and Board Members
- Reinforcing the importance of effective risk management as part of the everyday work of employees and Board Members
- Maintaining a register of risks linked to NIJAC's corporate and business objectives.

- Maintaining documented procedures on the control of risk and provision of suitable information, training and supervision
- Maintaining an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence
- Preparing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon NIJAC's ability to function, and
- Monitor arrangements continually and seek continuous improvement.

Risk Management within NIJAC may involve taking steps to reduce risk to an acceptable level or transferring risk to a third party. NIJAC's risk appetite may involve one or more of the following:

- tolerating the risk and accepting the related risk
- treating the risk in an appropriate way, such as using insurance to constrain the risk to an acceptable level or actively taking advantage of uncertainty as an opportunity to gain a benefit, e.g., to change approach
- transferring the risk via contractual obligation with a third party, or
- terminating the activity giving rise to the risk.

NIJAC's Board has delegated day-to-day risk management activities to the Chief Executive/Accounting Officer and to the Executive Team and as such we have put appropriate internal controls in place to mitigate detected risks.

## **Going Concern Basis**

The statement of financial position at 31 March 2019 shows net liabilities of £73,161. This reflects the inclusion of liabilities falling due within one year which, to the extent that they are not met from NIJAC's other sources of income, may only be met by future grant-in-aid from NIJAC's sponsoring department (TEO). This is because, under the normal conventions applying to Assembly control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-aid for 2019-20, taking into account the amounts required to meet NIJAC's liabilities falling due in that year, has already been included in the department's estimates for that year, and there is no reason to believe that the department's future sponsorship

will not be forthcoming. It has been considered appropriate therefore to adopt a going concern basis for the preparation of these financial statements.

## **Performance Summary**

NIJAC successfully delivered its planned objectives for 2018-19 in spite of a number of challenges. In the absence of local Ministers a number of Board Appointments could not be made and contingencies were put in place until new Legislation was brought forward by the Secretary of State in November 2018.

The key achievements during 2018-19 were:

- Managed and delivered eleven recruitment and selection schemes resulting in 27 recommendations for appointment, 10 to Courts, and 17 to Tribunals
- Managed 46 renewals of appointments to Tribunals and 20 to Courts
- Engaging with various individuals, professions and communities as part of NIJAC's outreach and engagement programme through presentations and events, advertising, the judicial shadowing scheme and informal and formal networks including social media. We also undertook our first political engagement event in December 2018 and around 30 stakeholders attended and discussed NIJAC's work
- Hosted a key stakeholder round table event with Court Presiders and Tribunal Chairs and Presidents in January 2019
- Worked in partnership with colleagues in the Judicial Appointments Board Scotland (JABS) and Judicial Appointments Commission England and Wales (JAC), to share practice and benchmark a number of approaches to judicial appointments. Two study visits focused on a number of key areas including the use of technology and different approaches to recruitment and selection across the different jurisdictions
- Commissioned new research with Queens University Belfast, School of Law on Challenges and Barriers to Senior Judicial Appointments. This was published in June 2019.

# Performance Analysis

Performance is managed through a number of operational and strategic performance and accountability structures where any underperformance is identified and corrective action discussed and taken. NIJAC uses a series of Chief Executive led performance meetings at an operational level to provide further rigour to the performance management process.

Performance data is reported and collated monthly through the Executive Team. Income and expenditure including medium to long term trend analysis is discussed and tracked through financial reporting against delivery of core business objectives and targets.

At NIJAC Board and committee meetings, data is provided on performance against targets and key performance indicators through monitoring of performance against the Annual Business Plan objectives and associated metrics.

In 2018-19 in spite of an externally challenging environment NIJAC delivered fully on its performance targets related to the key areas of its business:

- ***Recruitment & Selection***
- ***Our People***
- ***Working with Others***
- ***Accountability***

Key to the overall performance management within NIJAC is the integrated management of risk and uncertainty in terms of the operating environment. The Corporate Risk Register is monitored monthly by the Executive Team and is aligned to the performance of key targets and indicators in the delivery of the overall business objectives. There is on-going monitoring through standing committees and the Board as part of the Chief Executive's report.

NIJAC's financial statements have been prepared in accordance with paragraph 7 of Schedule 2 to the Justice (Northern Ireland) Act 2002, as amended.

## Operating Review

During the reporting year, NIJAC managed and delivered a substantial programme of appointments and renewals to judicial office. NIJAC made 27 recommendations for appointment (Courts 10, Tribunals 17), and 66 recommendations for the renewal of appointment (Courts 20; Tribunals 46).

Various non-financial information is used by NIJAC to drive and improve performance. This is managed and reflected in the Continuous Improvement Plan 2017-2020. This approach ensures NIJAC's evolving policies and practice meet industry standards and ensures that NIJAC continues to deliver meritorious appointments.

Lessons Learned are considered for each scheme as are Applicant Evaluations. Engaging in this reflective practice assists in identifying issues which need to be addressed with those responsible and ensures corrective action is taken to overall operational delivery on an ongoing and timely basis.

NIJAC has a sustained track record of achievement in adhering to strict governance arrangements and our aim is to continue to maintain those high standards. During 2018-2019 NIJAC continued to examine its approach to anti-corruption and anti-bribery and implemented the recommendations from the previous year's review of its practices against the Northern Ireland Audit Office (NIAO) guidance entitled 'Managing the Risk of Bribery and Corruption Guide'. Building on the knowledge gained in this review the Audit and Risk Committee provided oversight on the agreed action plan. All actions have been successfully delivered and have served to heighten awareness of this issue amongst staff and Commissioners. NIJAC is committed to the principle of fairness, equality and diversity as an organisation and as a result is firmly committed to respect for human rights in the delivery of its business.

## **Financial Overview**

As an NDPB, NIJAC is subject to the relevant Government and accounting guidelines. NIJAC was financed in 2018-19 by grant-in-aid through TEO and does not normally obtain additional funding from any other source.

Deficit transferred to taxpayers' equity for the year totalled £1,044,619 (2017-18: £1,039,667). The main areas of expenditure were staff costs £589,303 (2017-18: £583,292) which accounted for 51% (2017-18: 52%) of the total expenditure, and accommodation costs of £247,947 (2017-18: £245,475) accounting for 21% (2017-18: 22%) of the total expenditure. Accommodation costs relating to the part of Headline Building occupied by the Renewable Heat Incentive (RHI) Inquiry from August 2018 are recharged; these recharges are included in receipts. Income of £119,482, relating to the reimbursement of rent, rates and other premises costs, was received during the year (2017-18: £74,278).

The total grant drawn down from TEO in respect of 2018-19 was £1,065,000 (2017-18: £1,023,495).

Capital expenditure during the year was £17,610 (2017-18: NIL). At the year end, the assets owned by NIJAC had a net book value of £17,983 (2017-18: £1,059).

The expenditure for the last four years is shown in the table below.

	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	589,303	583,292	630,523	617,081
Depreciation, amortisation and	686	1,126	1,740	2,923
Other expenditure	574,112	529,527	530,216	481,412
	<u>1,164,101</u>	<u>1,113,945</u>	<u>1,162,479</u>	<u>1,101,416</u>
Income	(119,482)	(74,278)	(149,087)	(130,897)
	<u>1,044,619</u>	<u>1,039,667</u>	<u>1,013,392</u>	<u>970,519</u>
Capital	17,610	-	-	780
Total (including Capital)	<u>1,062,229</u>	<u>1,039,667</u>	<u>1,013,392</u>	<u>971,299</u>
Increase/(saving) on prior year	2%	3%	4%	(8%)

In 2018-19 NIJAC delivered on its statutory obligations utilising £50k additional gross operating expenditure (4.5%) compared to 2017-18. The year-end net operating cost position of £1,062k was a £23k (2.2%) increase on the previous year. This increase was represented by a rise in other operating expenditure of £44k (8.4%), new capital expenditure of £18k and a rise in staff costs of £6k (1.0%) offset by a rise in income from Co-tenants in Headline compared to 2017-18 of £45k (60.9%).

### **Long Term Expenditure Trends**

Since 2013-14 the Commission's gross expenditure has reduced by 15.0% from £1,369,461 in 2013-14 to £1,164,101 in 2018-19. Despite this historical reduction the pressure on public expenditure points to the need to plan in case of further reduction in budgets over the period of the next Corporate Plan and to highlight the potential consequences on service delivery.

The budget allocation for 2018-19 was £1,033k. The final outturn position was £1,044k which is £11k or 1.10% over the budget allocation. This occurred because of the matter relating to the remuneration of the Chief Executive referred to in the Financial Statements

Note 14 Events after the Reporting Period (page 82) which resulted in an unplanned additional cost of £13.66k.

It is expected that around 73% of our budget will continue to be expended on core business, i.e. running appointment schemes and the associated programme of action and around 27% will be expended on administrative support including corporate planning, finance and governance.

NIJAC will face difficult financial challenges in 2019-20 and in future years. There is no indication that budgets will not continue to be subjected to cost reductions applied to the opening budget allocation for the prior year. This currently means NIJAC is reliant on making in-year bids to conduct business and to meet its statutory obligations. Additional challenges exist due to the fact that NIJAC's finances are impacted by the significant and rising costs of Headline Building and the linkage of the NIJAC budget to income from Co-tenants, which is largely outside of NIJAC's control. Discussions are planned with TEO to discuss a way forward to safeguard the monies required for a sustainable approach to NIJAC's funding into the future. For their part NIJAC will continue to look at ways to be more cost effective, ensuring value for money and safeguarding the public purse.

### **2019-20 Budget Position**

The Northern Ireland Budget (Anticipation and Adjustments) Act 2019 received Royal Assent on 15<sup>th</sup> March 2019. This included the budget for TEO.

On 28 March 2019 TEO issued an opening 2019-20 budget allocation to NIJAC of £1,010k.

### **Future Strategy**

The 2017-20 Corporate Plan, published in May 2017, is set around NIJAC's key aim of appointing and recommending for appointment solely on merit. In accordance with our governing legislation, NIJAC is required to engage in a programme of action to ensure, as far as is reasonably practicable, that appointments to listed judicial office are such that those holding such offices are reflective of the community in Northern Ireland.

As you can see from the diagram below we have identified four key work areas, each of which interact with the other, work towards delivering our key aim and comply with our statutory commitments. While operational targets and outcomes change annually as part



of the review and development of the annual business plan, year on year, over the period of the Corporate Plan, our strategic focus will remain on delivering the commitments aligned to each of these four areas.



The 2019-20 Business Plan, sets out the work we will do in the coming year focusing on achieving outcomes aligned to the draft Programme for Government. The business plan includes the completion of a number of pieces of work identified in the 2017-2020 Corporate Plan and the process around developing the new Corporate Plan for NIJAC. This piece of work is particularly important as it will harness the direction of travel for the organisation over the coming years. It is anticipated that NIJAC will move away from a 3 year strategic planning cycle to a 5 year planning cycle. We are conscious of the continued demand of year on year efficiencies by Government on all public sector organisations including Non-Departmental Public Bodies and the impact this has and will continue to have on our budget.

Within the 2019-20 Business Plan we will be reviewing the current staffing structure in order to ensure that the structure in which we operate is fit for purpose and we that understand the skills and knowledge required of our people. A key part of our plan this year is to begin a process of engagement with all key stakeholders to inform the strategic direction of travel for NIJAC over the next 5 years. Key to this process will be the development of a medium to long term financial planning model to ensure sustainability for the Commission and its work.

NIJAC as part of its future strategy needs to consider the use of technology not just in terms of delivering its business activity but in how the Commission ensures it delivers efficiency, effectiveness and value for money.

We must continue to promote meritorious appointments to judicial office that are reflective of the diversity of society. Demographics are changing in Northern Ireland, society is more culturally diverse. Meeting the needs of both Urban and Rural areas, and with the roll out of the need for a more systematic way to rural proofing for Arm's Length Bodies in 2018, it is imperative that NIJAC deliver an effective programme of action including outreach through targeted engagement with increased reach across Northern Ireland.

The statistical information outlined on page 20 assists us in this planning and gives us the basis for where NIJAC needs to deliver, much more targeted engagement initiatives over the next 5 years. This statistical information will inform key inputs and decisions, ensuring we achieve our outcomes. We are committed to promoting diversity in the potential applicant pools and addressing areas of identified under-representation. We are fully committed to engagement and outreach through proactive action. We recognise that delivering this commitment is best achieved through building sustainable partnerships and building on good practice.

## **Sustainability Report**

NIJAC is working towards sustainable development and seeks to demonstrate its commitment to reducing environmental impacts wherever possible. The Annual Business plan for 2019/20 focuses on the development of new baseline metric information to set sustainability targets as part of the new corporate planning cycle beyond 2020.

### ***Reducing carbon emissions***

NIJAC continues to reduce energy consumption while identifying opportunities for further efficiencies.

### ***Responsible waste management***

The focus of NIJAC's waste management initiatives is to reduce the volume of waste produced in our building and to maximise recycling. Recycling bins have been placed in communal office and kitchen areas. NIJAC encourages electronic communication to reduce the generation of excess paper. NIJAC's website is used to promote circulation of

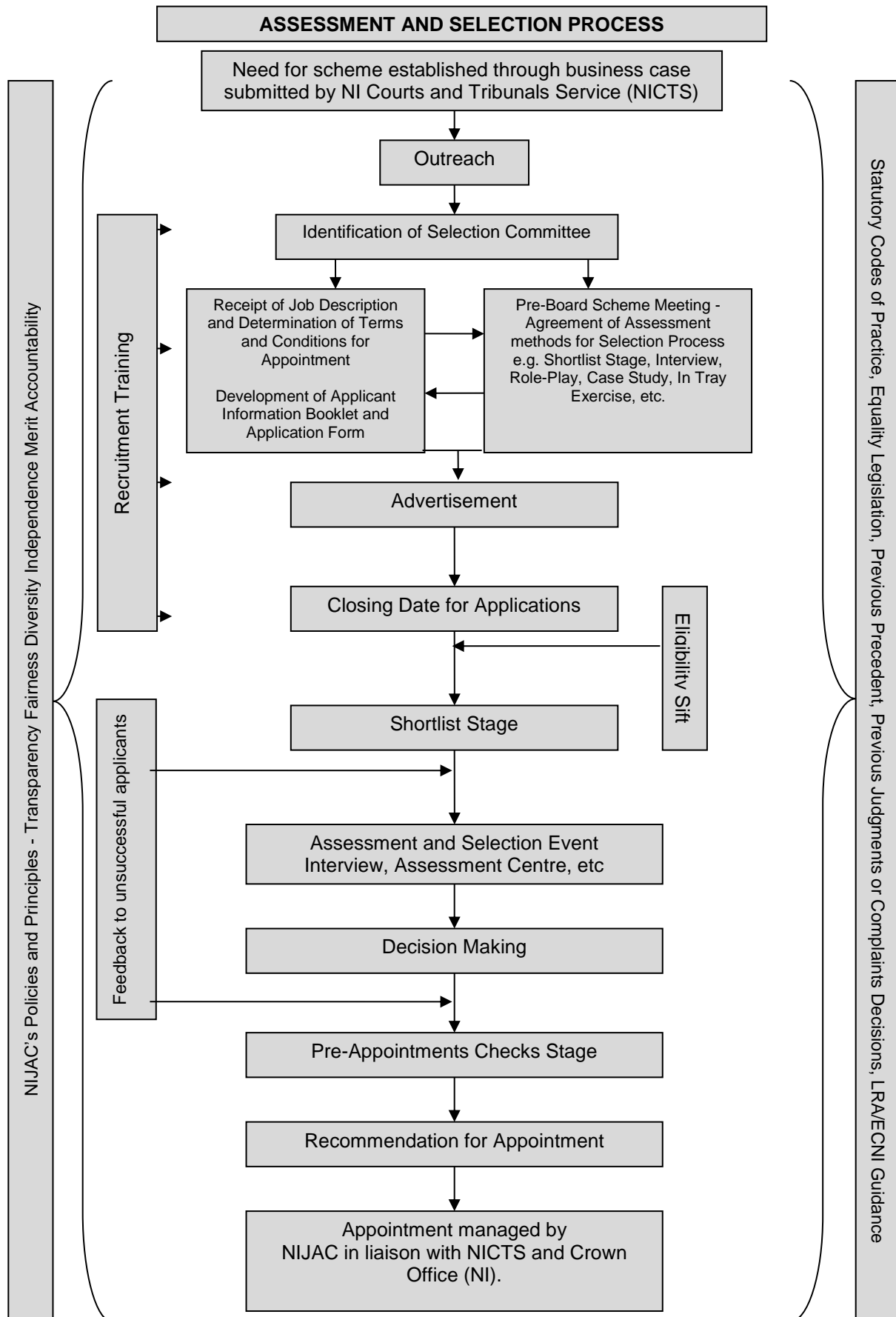
corporate information, including opportunities to serve in judicial office to a wider audience.

NIJAC also uses NICS contracts wherever possible. All NICS contracts for the supply of goods include a condition that requires suppliers to comply with the Packaging Act which makes the supplier responsible for recycling of the packaging materials.

A handwritten signature in black ink, appearing to read 'Tonya McCormac', written in a cursive style.

**Tonya McCormac**  
**Accounting Officer**  
**28 May 2021**

# Appendix 1 – Assessment and Selection Process for Judicial Appointment



# Appendix 2 - Diversity Statistics

## 1. Recommendations for Appointment and Applicant Pool

## 2. Renewals

The statistical information contained in this appendix on the diversity of those who have applied and those who have been recommended as suitable for appointment, is provided in accordance with the Commissions statutory obligations under Justice (Northern Ireland) Act 2002 (c.26) Schedule 2.

Please note this information is at a high level and does not provide the full disaggregated data.

Worthy of note during 2018 - 2019 is the near equal number of applications from women and men, and that the 1.6% of applications from black and minority ethnic communities mirror their representation in the wider community. Applications from people declaring a disability account for 4%. Regarding Community Background the number of recommendations are proportionate to the applicant pool.

A tailored Scheme Outreach Plan is designed afresh for each recruitment and scheme by scheme analysis of applicants is undertaken upon completion. Learning is applied to ensure the widest possible reach for future schemes.

**1. Recommendations for appointment (including applicant pools) during the Period 01/04/18 – 31/03/19.**

During the reporting period the Commission made 27 recommendations for appointment (Courts 10; Tribunals 17) –

1 County Court Judge (20 applications received), 2 Deputy County Court Judges<sup>i</sup>, 2 Deputy District Judges (Magistrates' Courts)<sup>ii</sup>, 3 District Judges (Magistrates' Courts) (80 applications received) and 2 High Court Judges (10 applications received).

6 Medical Generalist Members of the Appeal Tribunals (38 applications received), 1 Adjudicator (Lay) of the Criminal Injuries Compensation Appeals Panel (CICAP) (18 applications received), 1 Employment Judge (Fee Paid) of the Industrial Tribunals and Fair Employment Tribunal (IT/FET)<sup>iii</sup>, 2 Employment Judges (salaried) of the IT/FET (31 applications received), 1 Deputy Chairman of the Mental Health Review Tribunal (MHRT)<sup>iv</sup>, 1 Experienced Member of the MHRT (24 applications received), 3 Legal Members of the MHRT (53 applications received) and 2 Legal Chairmen of the Special Educational Needs and Disability Tribunal (SENDT) (45 applications received).

**Note – all % are rounded to 1 decimal point**

<b>Gender</b>	Male	Female	<b>Total</b>
<b>Recommendations</b>	19	8	<b>27</b>
%	70.4%	29.6%	<b>100.0%</b>
<b>Applicant Pools</b>	157	162	<b>319</b>
%	49.2%	50.8%	<b>100.0%</b>

<b>Community Background</b>	Protestant	Roman Catholic	Neither
<b>Recommendations</b>	9	17	1
%	33.3%	63.0%	3.7%
<b>Applicant Pools</b>	104	194	21
%	32.6%	60.8%	6.6%

<b>Age on Appointment</b>	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
<b>Recommendations</b>	1	5	5	2	5	1	8
%	3.7%	18.5%	18.5%	7.4%	18.5%	18.8%	21.9%
<b>Applicant Pools</b>	36	67	60	44	47	44	21
%	11.3%	21.0%	18.8%	13.8%	14.7%	13.8%	6.6%

<sup>i</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

<sup>ii</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

<sup>iii</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

<sup>iv</sup> Appointed as a result of an internal trawl.

<b>Ethnic Origin</b>	White	Other		<b>Disability</b>	No Disability Declared	Disability Declared
<b>Recommendations</b>	27	0		<b>Recommendations</b>	27	0
%	100.0%	0.0%		%	100.0%	0.0%
<b>Applicant Pools</b>	314	5		<b>Applicant Pools</b>	312	7
%	98.4%	1.6%		%	96.0%	4.0%

<b>Personal Geographic Location</b>				
<b>Location</b>	<b>Recommendations</b>	<b>%</b>	<b>Applicant Pool</b>	<b>%</b>
Belfast	8	29.6%	146	45.8%
Co Antrim	10	37.0%	35	11.0%
Co Armagh	0	0.0%	12	3.8%
Co Down	4	14.8%	65	20.4%
Co Fermanagh	0	0.0%	6	1.9%
Co Londonderry	4	14.8%	31	9.7%
Co Tyrone	1	3.7%	15	4.7%
Other	0	0.0%	9	2.8%

<b>Business Geographic Location</b>				
<b>Location</b>	<b>Recommendations</b>	<b>%</b>	<b>Applicant Pool</b>	<b>%</b>
Belfast	14	51.9%	163	51.1%
Co Antrim	2	7.4%	10	3.1%
Co Armagh	0	0.0%	1	0.3%
Co Down	1	3.7%	13	4.1%
Co Fermanagh	0	0.0%	3	0.9%
Co Londonderry	2	7.4%	13	4.1%
Co Tyrone	0	0.0%	3	0.9%
Other	0	0.0%	5	1.6%
Not indicated	8	29.6%	108	33.9%

## 2. Renewals of appointment during the Period 01/04/18 – 31/03/19.

During the reporting period the Commission made 66 recommendations for renewal of appointment (Courts 20; Tribunals 46) –

10 Deputy County Court Judges, 9 Deputy District Judges (Magistrates' Courts) and 1 Deputy Statutory Officer.

1 Appeals Tribunals Legal Member, 1 Appeals Tribunals Specialist Medical Member; 35 Appeals Tribunals Generalist Medical Members, 1 Adjudicator (Lay) of the Criminal Injuries Compensation Appeals Panel (CICAP), 1 Mental Health Review Tribunal (MHRT) Medical Member, 1 Pensions Appeal Tribunals (PAT) Legal Member, 1 PAT Medical Member and 5 PAT Service Members.

**Note – all % are rounded to 1 decimal point**

Gender	Male	Female	Total
	39	27	66
%	71.4%	28.6%	100.0%

Community Background	Protestant	Roman Catholic	Neither
	38	26	2
%	57.6%	39.4%	3.0%

Age on Reappointment	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
	1	10	8	7	6	7	27
%	1.5%	15.2%	12.1%	10.6%	9.1%	10.6%	40.9%

Ethnic Origin	White	Other
	64	2
%	97.0%	3.0%

Disability	No Disability Declared	Disability Declared
	64	2
%	97.0%	3.0%



<b>Personal Geographic Location</b>		
Belfast	26	39.4%
Co Antrim	10	15.2%
Co Armagh	3	4.5%
Co Down	13	19.7%
Co Fermanagh	0	0.0%
Co Londonderry	7	10.6%
Co Tyrone	5	7.6%
Other	1	1.5%

<b>Business Geographical Location</b>		
Belfast	31	47.0%
Co Antrim	6	9.1%
Co Armagh	0	0.0%
Co Down	2	3.0%
Co Fermanagh	2	3.0%
Co Londonderry	2	3.0%
Co Tyrone	2	4.5%
Other	2	3.0%
Not indicated	18	27.3%

# Appendix 3 – 2018-19 Corporate and Business Plan Objectives

## The Objectives in the 2018-19 Business Plan

The four work areas are Recruitment & Selection, Our People, Working with Others and Accountability.

### Recruitment & Selection

#### *Corporate Objective*

We will strive to meet our statutory duty to ensure a reflective judiciary which is appointed on merit.

#### *Business Objectives*

- We will develop, implement and deliver a programme of action to attract applications from the widest possible pool;
- We will deliver a programme of appointments and renewals that meet business needs and supports continuity in Courts and Tribunals; and
- We will review and benchmark what we do and implement an evidence based plan of action to deliver best practice in judicial appointments.

### Our People

#### *Corporate Objective*

We will fulfil our commitments through the efforts of skilled and engaged Commissioners, Co-opted Experts and Staff.

#### *Business Objectives*

- We will put in place a Programme of Development to ensure that all are clear and confident in their roles and responsibilities and supported to deliver on our commitments; and
- We will promote an ethos of appreciating the value of diversity and encouraging continuous improvement.

## **Working with Others**

### ***Corporate Objective***

We will work closely with others to deliver our statutory duties and implement best practice.

### ***Business Objectives***

- Active and meaningful dialogue with the Law Society and Bar Council, as members of the Joint Liaison Cte; the Judges' Council and the Northern Ireland Judicial Appointments
- We will build upon our relationships with the DoJ and the Northern Ireland Courts and Tribunals Service (NICTS); and
- We will build upon our relationships with Judicial Appointments Commission England & Wales and Judicial Appointments Board Scotland and develop a relationship with the new appointments body within the Republic of Ireland.

## **Accountability**

### ***Corporate Objective***

We will make judicial appointments while safeguarding public money and making the best use of resources.

### ***Business Objectives***

- We will manage our resources effectively through sound financial management and controls, while increasing our efficiency;
- We will protect all data held safeguarding the confidentiality of applicants; and
- We will deliver an effective governance system that will ensure probity and the safeguarding of public funds and provide assurance to our sponsor (TEO).

# THE ACCOUNTABILITY REPORT

## Overview

The purpose of the Accountability Report is to meet key accountability requirements.

The report contains three sections:

- Corporate Governance Report
- Remuneration and Staff Report, and
- Assembly Accountability and Audit Report.

The purpose of the Corporate Governance Report is to explain the composition and organisation of NIJAC's governance structures and how these support the achievement of the Commission's objectives.

The Remuneration and Staff Report sets out the remuneration policy for senior staff & Commissioners and reports on how that policy has been implemented. In addition, the report provides details on overall staff numbers, composition, and associated costs.

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts. This report includes a statement of compliance with regularity of expenditure guidance, a statement of losses and special payments recognised in the year and the external auditor's certificates and audit opinion on the financial statements.

## Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of NIJAC's governance structure and how these support the achievement of the Commission's objectives.

## **Directors' Report**

### **Chief Executive**

Adeline Frew was appointed as Interim Chief Executive and Accounting Officer on 22 January 2018 until 20 August 2018. Tonya McCormac was appointed as Chief Executive and Accounting Officer on 21 August 2018.

### **Salary and pension entitlements**

Details of the remuneration and pension interests of the Chief Executive post and remuneration details of Commissioners are detailed in the Remuneration Report.

### **Composition of the Commission**

The Commission normally consists of a Chairman (the Lord Chief Justice of Northern Ireland) and twelve other members appointed by the First Minister and deputy First Minister, acting jointly. The composition during the year ended 31 March 2019 was:

The Right Honourable Sir Declan Morgan (Chairman), the Lord Chief Justice of Northern Ireland

The Right Honourable Lord Justice Stephens (second term commenced 12 November 2018)

The Honourable Mrs Justice Keegan (first term commenced 12 November 2018)

District Judge (Magistrates' Courts) Rosalie Prytherch (second term commenced 12 November 2018)

Mr Eoin Doyle QFSM, Judicial Member – Lay Magistrate (second term commenced 12 November 2018)

Mr Brian Coulter OBE, Lay Member (term ended 9 November 2018)

Mr Paul Douglas, Lay Member (first term commenced 18 October 2016)

Ms Marion Matchett CBE, Lay Member (first term commenced 18 October 2016)

Ms Noelle McGreenera, Legal Member (first term commenced 12 November 2018)

Mr Michael Robinson Solicitor, Legal Member (first term commenced 12 November 2018)

Mr Lindsay Todd, Lay Member (second term ends 2 October 2020)

There are currently two Lay Commissioner vacancies and one judicial nominee for the County Court outstanding.

All members are non-executive and independent.

Pen pictures of all Commissioners can be found on our website [www.nijac.gov.uk](http://www.nijac.gov.uk).

## **Commissioners' Interests**

None of the Commissioners held interests or directorships during the year which would conflict with their responsibilities as Members of the Commission.

A declaration of Board Members' interests has been completed and is available on request NIJAC, Headline Building, Belfast.

The Chief Executive, along with the Director of Finance has responsibility for the preparation of the Accounts and Annual Report. They have provided the auditors with the relevant information and documents required for the completion of the audit. The responsibility for the audit of NIJAC rests with the Northern Ireland Audit Office (NIAO). The Chief Executive, as AO, has confirmed there is no relevant audit information of which NIJAC's auditors are unaware.

## **Auditors**

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Justice (Northern Ireland) Act 2002, as amended. He is the head of the Northern Ireland Audit Office (NIAO) and he and his staff are wholly independent of NIJAC.

The audit of the financial statements for 2018-19 resulted in an audit fee of £9,900 (2017-18: £9,700). The C&AG did not provide any non-audit services during the year. NIJAC is currently not involved in the National Fraud Initiative.

## Payment of Suppliers

NIJAC is committed to the prompt payment of suppliers. The Confederation of British Industry's Prompt Payment Code for achieving good payment performance in commercial transactions requires payment within 30 days of the receipt of the goods or services or on presentation of a valid invoice or similar demand, whichever is later (unless otherwise stated in the contract). During the year 100% (2017-18: 99.24%) of invoices were paid within this standard.

Against the stricter target applied by NIJAC during 2018-19 96.47% (2017-18: 98.30%) of invoices were paid within ten days of receipt.

Any supplier payments made outside these targets were due to disputed invoices.

## Complaints

The NIJAC Complaints Policy and Procedure - [NIJAC Complaints Policy and Procedure](#) - relates to complaints arising from any aspect of NIJAC conducting its function and this policy sets out the arrangements for 'Commission' and 'Non-Commission' Complaints.

'Commission Complaints' are defined by Section 9B of the Justice (Northern Ireland) Act 2002. A Commission Complaint is a complaint by a qualifying complainant of maladministration by the Commission or a committee of the Commission who claims to be adversely affected, as an applicant for selection or as a person selected, by the maladministration complained of.

During the period of this report five Commission complaints were received which related to three schemes. One complaint was withdrawn and four were investigated and not upheld. Any learning points that emerged from these investigations have been acted upon.

Other Non-Commission Complaints will be directed to the Chief Executive, or her nominee or the Chairman as appropriate and dealt with in line with the NIJAC Complaints Policy and Procedure. There were no Non-Commission complaints in the period.

## Statement of Accounting Officer's Responsibilities

Under paragraph 7 of Schedule 2 to the Justice (Northern Ireland) Act 2002, as amended, the Commission is required to prepare a statement of accounts in respect of each financial year in such a form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NIJAC and of its net operating expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the TEO including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of NIJAC and
- pursue and demonstrate value for money in delivering NIJAC's business activity and in its use of public assets and the resources it controls.

TEO's AO has designated the Chief Executive as AO of NIJAC. The responsibilities of an AO, including responsibility for the propriety and regularity of the public finances for which the AO is answerable, for keeping proper records and for safeguarding NIJAC's assets, are set out in *Managing Public Money Northern Ireland (MPMNI)* published by the DoF.

As AO, I confirm that the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



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

# Governance Statement

## Introduction

This statement is given in respect of NIJAC's Accounts for 2018-19. It outlines NIJAC's governance framework for directing and controlling its functions and how assurance is provided to support me in my role as AO.

## The Governance Framework

As AO of NIJAC I have overall responsibility for ensuring NIJAC applies high standards of corporate governance, including effective support for the Board's performance and management of risks, to ensure it is well placed to deliver its objectives, and is sufficiently robust to face challenges that it encounters.

I have responsibility for maintaining a sound system of internal control that supports the achievement of NIJAC's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in MPMNI and the NDPB Accounting Officer Memorandum.

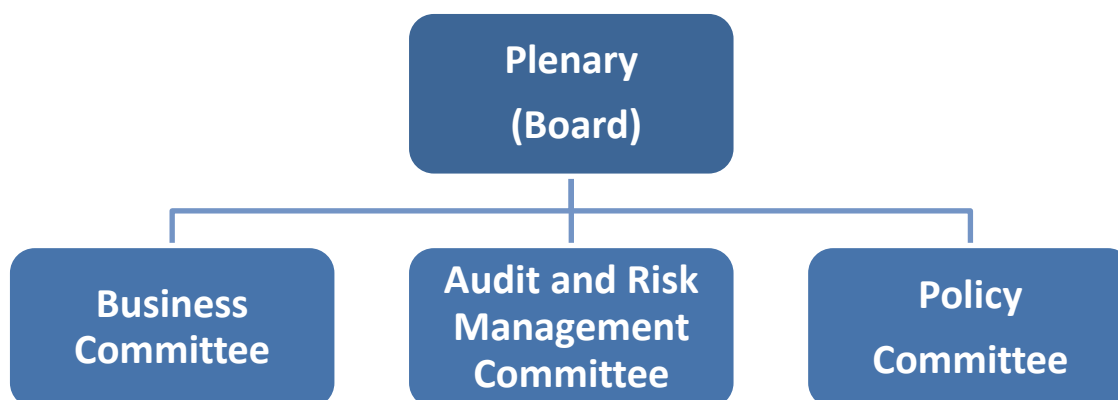
Plenary (NIJAC's Board) has three committees; the Audit and Risk Management Committee (ARMC), the Business Committee and the Policy Committee.

The Board of NIJAC exercises strategic control over the operation of the organisation through a system of corporate governance which includes:

- A schedule of matters reserved for Board decisions
- A scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and Executive team and
- Standing Orders and Standing Financial Instructions.

The relationship between NIJAC and its sponsoring department, TEO, is set out in the Management Statement. The Management Statement defines the financial and administrative framework within which NIJAC operates, sets out the conditions on which grant-in-aid is paid and the delegations assigned to NIJAC. The Management Statement has been approved by Ministers responsible for TEO. It is supplemented by a Financial Memorandum agreed with NIJAC and approved by TEO and DoF.

## Committee Structure and Coverage of Work



### Plenary

The Board of NIJAC (Plenary) has corporate responsibility for ensuring that it fulfils its statutory obligations and the aims and objectives agreed with its sponsor department.

Plenary, which is chaired by the Chairman of NIJAC, typically meets five times a year. Exceptional meetings are convened as required. The Chairman and the Chief Executive, in consultation with Business Committee and Plenary determine the programme of meetings and direction for business each year. Approved minutes of Plenary meetings are published on NIJAC's website.

A detailed list of Plenary's responsibilities is set out in the Management Statement and Financial Memorandum and the Justice (Northern Ireland) Act 2002, as amended and includes the requirement to comply with the Code of Conduct (which includes the 7 Nolan Principles).

## **Membership as at 31 March 2019**

The Right Honourable Sir Declan Morgan (Chairman), the Lord Chief Justice of Northern Ireland

Mr Paul Douglas, Lay Member

Mr Eoin Doyle QFSM, Lay Magistrate

The Honourable Mrs Justice Keegan

Ms Noelle McGreenera

Ms Marion Matchett, CBE Lay Member

District Judge (Magistrates' Courts) Rosalie Prytherch

Mr Michael Robinson

The Right Honourable, Lord Justice Stephens

Mr Lindsay Todd, Lay Member

Commissioners are drawn from the judiciary, legal profession and other professional backgrounds. Commissioners have an equal say in the work of NIJAC and are of equal status.

Section 3 of the Justice (Northern Ireland) Act 2002, as amended describes the constitution of the Board as follows:

- The Lord Chief Justice (Chairman)
- a Lord Justice of Appeal
- a Judge of the High Court
- a County Court Judge
- a District Judge (Magistrates' Courts)
- a Lay Magistrate
- a barrister
- a solicitor
- five Lay members

## **Audit and Risk Management Committee (ARMC)**

The committee supports Plenary and the AO by reviewing the comprehensiveness, reliability and integrity of the assurances provided to the Committee regarding NIJAC's internal controls, risk management processes and governance. This includes financial, operational and compliance controls and the quality and reliability of financial reporting. On the basis of assurances provided to it, the Committee will form an overall view of the state of risk management, governance and internal control in the Commission which it will report to Plenary.

The Committee consists of at least four members and meets four times per year. Additional meetings may be convened to discuss particular issues. The meetings are normally attended by a representative from NIJAC's Internal Audit function, External Audit and the sponsorship department.

ARMC is an advisory body with no executive powers. However, it is authorised by Plenary to investigate any activity within its terms of reference, and to seek any information it requires from staff who are requested to co-operate with the Committee in the conduct of its enquiries. Requests for work and reports received from Internal Audit will be channelled through the AO. ARMC is authorised to obtain independent professional advice if it considers it necessary.

ARMC advises Plenary and the AO on:

- the strategic process for risk, control and governance and the Governance Statement
- the accounting policies, the accounts, and the annual report of NIJAC, including the process of review of the accounts prior to submission for audit, levels of error identified, and the management's letter of representation to the External Auditors
- the planned activity and results of both Internal and External Audit
- adequacy of management response to issues identified by audit activity, including External Audit's Report to Those Charged with Governance
- assurances relating to the management of risk and corporate governance requirements for NIJAC
- proposals for tendering Internal Audit services
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations, and

- the Committee will also periodically review its own effectiveness and report the results of that review to Plenary.

A full list of ARMC's tasks and responsibilities can be found in the Committee's Terms of Reference contained within NIJAC Standing Orders.

## **Membership as at 31 March 2019**

Mr Lindsay Todd, Lay Member (Chair)

Mr Eoin Doyle QFSM, Lay Magistrate

Ms Marion Matchett CBE, Lay Member

Mr Michael Robinson, Legal Member

## **Business Committee**

Business Committee sits four times a year and consists normally of four members. The Chair of the Committee reports back to Plenary.

Business Committee is responsible for the following:

- the approval of publication of the Business Plan and Corporate Plan and overseeing the Chief Executive's review and monitoring of performance against the Business and Corporate Plan Objectives
- ensuring that Annual Report and Accounts are produced and adhere to the Accounts Direction issued by the TEO in accordance with Paragraph 7 of Schedule 2 of the Justice (Northern Ireland) Act 2002, as amended
- the approval of the commencement of Appointment Schemes, use of Reserve Lists and outreach plans plus monitoring progress of Appointments. The membership of panels for Appointment Schemes, as proposed by the Chief Executive, will be shared with the Committee for comment, prior to consultation and final approval by the Chair of NIJAC
- being consulted on budget allocation from sponsor department and intended annual budget allocation assigned by the Executive Team
- overseeing and monitoring the budget and use of public funds
- ensuring that procedures are in place for the identification and assessment of risk, and those risks impacting on the achievement of NIJAC's objectives are identified and reported on correctly in the Corporate Risk Register, and
- the approval of any Direct Award Contracts over £500.

## **Membership as at 31 March 2019**

Mr Eoin Doyle QFSM, Lay Magistrate (Chair)

Mr Paul Douglas, Lay Member

Mrs Justice Keegan, High Court Judge

Ms Noelle McGreenera, Legal Member

## **Policy Committee**

Policy Committee sits four times a year and normally consists of five members. The Chair of the Committee reports back to Plenary at each session.

Policy Committee is responsible for:

- directing a programme of work with a view to promoting the delivery of the Programme of Action aimed at ensuring, so far as is reasonably practicable, that a range of people reflective of the community is available for consideration for appointment on merit
- directing a programme of work aiming to ensure effective assessment and selection methodologies and to support best practice approaches so as to select fairly on the basis of merit and
- ensuring that the work of the Committee and its determination of priorities are supported and informed by NIJAC's scheme evaluations and diversity management information.

## **Membership as at 31 March 2019**

Ms Marion Matchett CBE, Lay Member (Chair)

Mr Paul Douglas, Lay Member

Ms Noelle McGreenera, Legal Member

District Judge (Magistrates' Courts) Rosalie Prytherch

Mr Michael Robinson, Legal Member

The Right Honourable Lord Justice Stephens

## Attendance at Plenary and Committee Meetings

Members	Plenary (5 in 2018-19)	Audit & Risk Management Committee (4 in 2018-19)	Business Committee (3 in 2018-19)	Policy Committee (4 in 2018-19)
The Right Honourable Sir Declan Morgan (Chairman)	5/5	-	-	-
Mr Brian Coulter OBE (tenure ended 9 Nov 2018)	3/3	2/2	2/2	-
Mr Paul Douglas	4/5	-	3/3	4/4
Mr Eoin Doyle QFSM*	3/5	2/4	3/3	-
Mrs Justice Keegan (from Nov. 2018)**	4/4	-	1/1	-
Ms Marion Matchett CBE	4/5	3/4	-	4/4
Ms Noelle McGreenera (from Nov. 2018)**	3/4	-	1/1	-
District Judge (Magistrates' Courts) Rosalie Prytherch**	4/5	-	-	4/4
Mr Michael Robinson (from Nov.2018)**	3/4	2/2	-	3/3
The Honourable Mr Justice Stephens (from Nov. 2018)**	4/4	-	-	1/3
Mr Lindsay Todd	4/5	4/4	-	2/3

\* first term ended June 18 and second term began November 2018. Mr Doyle acted as an Independent member in the interim period.

\*\* includes attendance as Observers prior to appointment/renewal.

*The denominator indicates the number of meetings the individual was eligible to attend as either a member or as an Observer.*

At the beginning of each Plenary and Committee meeting, members are asked by the Chair to declare any conflicts or potential conflicts of interest. To prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed a reasonable period before the meeting. When a potential conflict of interest is declared by a member, the remaining members consider the potential conflict and a decision is made to whether the member should step out of the meeting when the agenda item is discussed.

## Board's Performance and Effectiveness

Once the timetable of meetings for Plenary, the ARMC, the Business Committee and the Policy Committee are agreed it is then the responsibility of each Committee to plan its work for the year to allow sufficient time to discharge its responsibilities effectively. Assignment



to Committees is made by assessing the member's expertise and strengths, and on which Committee this could best be utilised, and, having consulted Commissioners, if possible based on any Committee preferences they may have.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and papers relating thereto are forwarded to each Committee Member, and any person required to attend, a reasonable time before the meeting.

Each Committee will have access to sufficient resources in order to carry out its duties, this includes the support of the appropriate team, who will be responsible for arranging meetings, drafting agendas in consultation with the Chair, providing and circulating papers, maintaining Committee records including taking minutes and undertaking any Committee business that may fall outside meetings. Plenary minutes are published on the NIJAC website.

Plenary assesses its performance, and that of its Committees, on an annual basis. Every Committee reports its progress to Plenary by way of a Committee Chair update at each meeting. Each Committee presents a report annually to Plenary, timed to support finalisation of the accounts and summarising its conclusions from the work it has done during the year.

On-going training is provided to ensure Commissioners' skills and knowledge are up-to-date and ensure Commissioners are fully functional on the Committees they have been assigned to, including Selection Committees. Commissioners complete an Annual Skills Audit which informs learning and development in terms of Board Effectiveness. They also complete an annual Board Effectiveness Survey in March each year. All findings and planned actions are presented to Plenary after the year end to inform any improvements to Plenary's effectiveness.

In February 2019 the Board and Executive Team participated in a Board Effectiveness Workshop facilitated and delivered by The Chief Executives' Forum.

The Chairman of the Commission undertakes a performance review annually with each individual member. This assesses the Member's role not only as a Member of Plenary / Committees but also as a Selection Committee Member.

The Commission regularly engages with others, as a way of learning, benchmarking its performance against others and ensuring good practice. Members of Plenary took part in two benchmarking visits with the Judicial Appointments Board for Scotland in February 2019 and with the Judicial Appointments Commission for England and Wales in March 2019.

As part of ongoing assurance in terms of Governance, KPMG with approval from ARMC, extended their compliance reporting into a broader review of Governance and effectiveness focusing on the current committee structure, reporting lines, delegation and decision making. A report provided a number of recommendations benchmarked against good practice. These will be taken forward in the first quarter of 2019/2020 year to improve performance and effectiveness of the Board and Standing Committees.

## **Quality of Data provided to Plenary / Committees**

Plenary is satisfied as to the quality of data and information provided which is always thoroughly reviewed. All papers are issued within a reasonable time before meetings to allow Commissioners to review and, where appropriate, to raise questions in advance. The timely provision of information is in a form and of a quality that enables Plenary / Committees to discharge its duties effectively. Plenary / Committees are content with the quality and content of the papers provided; the papers ensure Plenary / Committees are fully updated on issues under their remit as stated in their terms of reference, enabling them to make informed decisions.

All reports / papers conform to a standard layout to ensure the appropriate focus on key issues. Financial and performance data is extracted from the accounting and operational systems and is therefore subject to regular, planned internal quality assurance checks and independent audits. All statistical and financial information is provided or reviewed by a professionally qualified accountant.

It is worth noting that NIJAC is currently looking at technological solutions to how data is presented to the Board and its Committees. As part of the KPMG Governance Review, the lay out and information included within papers is currently being reviewed at both Committee and Board level to ensure the quality of data continues to be fit for purpose.

## Significant Governance Issues

As the result of routine internal reviews of HR policies and headcount requirements two issues emerged after the end of the reporting period that have required remedial action to be implemented and improvements in Governance arrangements to be instituted.

Firstly during discussions with TEO on the current approved headcount it was confirmed that the Chief Executive grade is currently approved by Ministers at Grade 5 (legislation requires that NIJAC's headcount and the grades of staff must be approved at Ministerial level). However in error the post of Chief Executive has been remunerated since January 2018 at the lower Grade 6 level. This has impacted on the interim Chief Executive from January 2018 to Aug 2018 and myself as Chief Executive from my date of appointment in August 2018. As soon as this error was confirmed I informed TEO and the Board that I could not be involved in the rectification of this issue as I had a potential conflict of interest. Therefore the Board worked directly with TEO to seek approval to pay the relevant arrears of salary and this was obtained in November 2020. The amount of arrears relating to the year ending 31 March 2019 is included in these Accounts and the Remuneration Report for this year reflects the correct salary. Amounts related to the year ended 31 March 2018 and 31 March 2020 have been included in the relevant Accounts and Remuneration Reports for those years. Revised HR processes are now in place to ensure the headcount and grade structure is aligned to the current Ministerial approvals that are in place. Note 14 to the Accounts (page 82) –Events after the Reporting Period also makes reference to this issue.

Secondly as part of a review of HR policies NIJAC permanent staff contracts of employment were found to be wrongly linked to the NICS Staff Handbook and had been like this for a number of years. Although NIJAC Terms and Conditions are substantially the same as NICS Terms and Conditions good practice indicated that a process of negotiation with staff and the trade union should be undertaken to agree NIJAC Employment Contracts. As soon as this issue was confirmed I informed TEO and the Board that neither I nor my staff could be involved in the resolution of this issue as we had a potential conflict of interest. Therefore Board representatives had direct engagement with the trade union and an agreement on this was reached in December 2020. Staff have all now signed revised contracts and have received an incentive payment to do so. The amount involved will be accounted for in the year ending 31 March 2021. Revised HR processes are now

in place to ensure NIJAC Employment Contracts are accurate. Note 11 to the Accounts (page 80) –Contingent Liabilities also makes reference to this issue.

There have been no other issues during the course of the year that suggest that NIJAC has been vulnerable in relation to its performance or stewardship of its resources. This is further endorsed through the performance reported against our Business Plan Objectives.

## Highlights

For 2018-19 Internal Audit gave an overall Satisfactory assurance rating to NIJAC. During 2018-19, Internal Audit carried out 3 reviews in accordance with the 2018-19 Internal Audit Plan.

The reviews and assurance ratings are as follows:

<b>System</b>	<b>Assurance rating *</b>
Appointments Process	Satisfactory
General Financial Controls	Satisfactory
Corporate Governance	Satisfactory

*\*Satisfactory – Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.*

Due to the success of an in-year bid the Commission was able to request that the Northern Ireland Statistics and Research Agency (NISRA) conduct an independent review of NIJAC's diversity data, backdated to 2015. This information will be available in an accessible format on the website.

## Corporate Governance

NIJAC follows the DoF guidance *Corporate Governance in Central Government Departments: Code of Good Practice NI 2013*, as far as possible and in proportion to its capacity as a small arms-length body. As such, it does not comply with the code provisions relating to a Minister, nor have a separate professionally qualified finance director sitting on the Board. Risk Management is supported fully through the ARMC, which reports back to NIJAC's Board.

Otherwise, in accordance with this code, Plenary and its other Committees provide the necessary leadership, effectiveness, accountability and sustainability to ensure that NIJAC delivers on its objectives. As AO, I also take seriously my responsibilities on the use of public funds that have been provided to NIJAC, to ensure the most effective and efficient use of those funds.

NIJAC has a Board in place, in accordance with the Justice (Northern Ireland) Act 2002, as amended, which consists of the Chairman and the Commissioners, who all have equal decision-making rights. As Chief Executive I attend Plenary meetings, together with senior staff, in a non-voting capacity.

## **Internal Control and Risk Management**

NIJAC has appropriate procedures in place to ensure that it has identified its objectives and risks and determined a control strategy for its strategic risks. A corporate approach to risk, involving Commissioners and the Executive Team, is taken.

The system of internal control is designed to manage risk systematically to a reasonable level, rather than to eliminate all risk of failure, to achieve policies, aims and objectives.

The Audit & Risk Management Committee (ARMC) provides Plenary with an independent and objective review on its financial and governance systems of internal control. The ARMC completes the Northern Ireland Audit Office Audit Committee self-assessment checklist on an annual basis to assess its effectiveness. No performance related issues were identified by ARMC Committee members during the year.

The work of the Internal Audit and External Audit functions is fundamental to providing assurances on the on-going effectiveness of the system of internal financial control. In addition, the controls of overall assurance and the annual self-assessment against the standards provide an important assurance to the ARMC Committee.

A quarterly Assurance Statement on Internal Control is produced by the Director of Governance and Appointments and sent to me as Accounting Officer. This provides me

with assurance that risk management processes are effective and operating in line with NIJAC's risk management framework.

As Accounting Officer, I submit quarterly Assurance Statements on Internal Control to NIJAC's sponsoring department, TEO, and the ARMC.

Risk assessment and management is an ongoing process in NIJAC. The key strategic risks are set out in the Risk Register. The Director of Governance and Appointments is responsible for risk management within the two teams:

- Corporate Finance Team and
- Judicial Appointments Team.

As part of the business planning process, at all levels, the identification and assessment of risk is required when setting Business Objectives; these risks are formally reported in the Risk Register. Risks are assessed in terms of their probability of occurrence and impact on the achievement of objectives, and scored and reported on accordingly.

NIJAC's Risk Management Handbook is used to manage risks that may affect the achievement of Business Objectives. It outlines the respective roles and responsibilities of the Accounting Officer, Internal Audit, the ARMC and all staff.

NIJAC has a low to medium Risk Appetite, that is, NIJAC is prepared to accept, tolerate or be exposed to a low to medium level of risk at any point in time. Plenary approved the continued use of a low to medium Risk Appetite for NIJAC on 8 March 2018.

## **Information Risk**

Risks to information are managed and controlled as part of the Risk Management Process. The Information Risk Policy supplements our corporate approach to risk management and encourages all staff to consider information as assets, supported by the compilation of Information Asset Registers. As Accounting Officer, I have assumed the role of Senior Information Risk Owner for NIJAC.

As the Senior Information Risk Owner I have a key role in considering how the organisation's objectives will be impacted by information risks and how those risks may

be managed. Any significant information governance risks are recorded as part of the NIJAC's risk register process.

NIJAC ensures that personal identifiable information is dealt with legally, securely, efficiently and effectively. NIJAC staff team have a clear structure to deal consistently with the many different rules about how information is handled, including those set out in legislation and in a range of appropriate policies and procedures.

Information risk has to be managed in a robust way in NIJAC. Assurances need to be provided in a consistent manner. To achieve this, participation from all staff and Commissioners in an agreed approach ensures consistency throughout the organisation in terms of information handling and the management of information risk. ARMC oversees all aspects of information governance including data protection, ICT security, corporate records, freedom of information and data quality.

NIJAC has been operating within a constrained economic environment in the 2018-19 financial year. Plenary will continue to monitor and evaluate the risk that various cost cutting measures may have on service delivery through the Business Committee.

There were no personal data related incidents during the period that met the reporting Information Commissioners' reporting standard.

## **Remuneration and Staff Report**

The Remuneration and Staff Report sets out the remuneration policy for senior staff & Commissioners and reports on how that policy has been implemented. In addition, the report provides details on overall staff numbers, composition, and associated costs.

### **Remuneration Policy**

All staff in NIJAC are remunerated in line with NICS pay scales.

The pay remit for the Northern Ireland public sector is normally approved by the Minister of Finance but in the absence of an Executive the DoF Permanent Secretary has set the 2018-19 NI public sector pay policy in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17.

The remuneration for Commissioners is set by TEO.

## **Service Contracts**

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

Unless otherwise stated, the officials covered by this report hold appointments that are open ended. Early termination, other than for misconduct, would result in 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.nicscommissioners.org](http://www.nicscommissioners.org).

Commissioners are appointed on a fixed term basis and as outlined in the section on the Organisational Structure on page 6.

## **Salary and pension entitlements (*Audited Information*)**

The following sections provide details of the remuneration and pension interests of the Commissioners and the most senior management of NIJAC (the Chief Executive).

### ***Chief Executive***

The position of Interim Chief Executive was held by Adeline Frew (the Director of Governance and Appointments) to 20 August 2018 and Tonya McCormac was appointed Chief Executive from 21 August 2018.



The remuneration payable in the Chief Executive role during the reporting period was as follows:

	2018-19					2017-18				
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits*	Total	Salary	Bonus Payments	Benefits in Kind	Pension Benefits*	Total
Name	£'000	£'000	(to nearest £100)	(to nearest £1,000)	(£'000)	£'000	£'000	(to nearest £100)	(to nearest £1,000)	(£'000)
Ms Adeline Frew (from 22 January 2018 to 20 August 2018)	25-30 (65-70 full year equivalent)	-	-	18,000	40-45	10-15 (65-70) full year equivalent)	-	-	5,000	15-20
Mrs Tonya McCormac (From 21 August 2018)	40-45 (65-70 full year equivalent)	-	-	15,000	55-60	-	-	-	-	-
Mrs M Kilpatrick (Until 21 January 2018)	-	-	-	-	-	50-55 (60-65 full year equivalent)	-	-	(4,000)	45-50

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

### **Commissioners**

The remuneration payable to the Commissioners was as follows:

Name	2018-19		2017-18	
	Salary £000	Benefits in Kind (nearest £100)	Salary £000	Benefits in Kind (nearest £100)
The Right Honourable Sir Declan Morgan (Chair)**	-	-	-	-
The Right Honourable Lord Justice Weatherup** (resigned 4 September 2017)	-	-	-	-
The Honourable Mr Justice Stephens, High Court Judge** (resigned 4 September 2017, appointed for a second term 12 November 2018)**	-	-	-	-
Her Honour Mrs Justice Keegan** (appointed 12 November 2018)	-	-	-	-
District Judge (Magistrates' Courts) Rosalie Prytherch**	-	-	-	-
Mr Brian Coulter OBE (tenure ended 9 November 2018)	0-5	-	5-10	-
Mr Paul Douglas (appointed 18 October 2016)	10-15	-	0-5	-
Mr Eoin Doyle QFSM***	5-10	-	5-10	-
Ms Marion Matchett CBE (appointed 18 October 2016)	5-10	-	5-10	-
Ms Noelle McGreenera (appointed 12 November 2018)***	0-5	-	-	-
Mr Alastair Rankin (resigned 14 June 2017)	-	-	0-5	-
Mr Michael Robinson (appointed 12 November 2018)***	5-10	-	-	-
Professor Nichola Rooney (resigned 14 June 2017)	-	-	0-5	-
Mr Lindsay Todd	5-10	-	0-5	-

\* Mr McNulty has foregone his right to claim fees and expenses.

\*\* Salaried members of the judiciary are not remunerated by NIJAC for their work in accordance with current public sector policy.

\*\*\* Includes payment as Observer prior to appointment/renewal

## Salary

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

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

## Bonuses

Bonuses are based for staff performance and work completed over and above normal duties. Bonuses relate to the performance in the year in which they become payable to the individual. A total of £2,000 was awarded in staff bonuses 2018-19 (2017-18: NIL). The Chief Executive did not receive a bonus. Commissioners do not receive bonus payments.

## Pay Multiples (Audited Information)

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

The banded remuneration of the highest-paid director in the Commission in the financial year 2018-19 was £65,000-£70,000 (2017-18: £60,000-£65,000). This was 2.52 times (2017-18: 2.21 times) the median remuneration of the workforce, which was £26,839 (2017-18: £28,318).

	2018-19	2017-18
<b>Band of Highest Paid Director's Total Remuneration</b>	65-70	60-65
<b>Median Total Remuneration</b>	26,839	28,318
<b>Ratio</b>	2.52	2.21

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

The movement in the ratio between 2018-19 and 2017-18 is due to the continuing trend of recruiting directly recruited staff with the loss of seconded staff which has further pushed the median total remuneration downwards together with an increase in the band for the highest paid Director as a result of the appointment of the new substantive Chief Executive in 2018-19 at Grade 5.

In 2018-19, one (2017-18: one) employee received remuneration in excess of the highest paid director.

Remuneration ranged from £11,757 to £59,979 (2017-18, £4,139 to £56,031).

## Pension Entitlements (Audited Information)

### Commissioners

No pension contributions are made by NIJAC in respect of the Commissioners.

### Chief Executive\*\*\*

Name and title	Accrued Pension at pension age as at 31/03/19 and related lump sum £'000	Real increase/ (decrease) in pension and related lump sum at pension age £'000	CETV at 31/03/19 £'000	*CETV at 31/03/18 £'000	Real increase/ (decrease) in CETV £'000	Employer contribution to partnership pension account Nearest £100
Ms Adeline Frew** Chief Executive	10-15 plus a lump sum of 30-35	0-2.5 plus a lump sum of 0-2.5	261	237	13	-
Mrs Tonya McCormac** Chief Executive	0-5	0-2.5	11	-	8	-

\* The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2009.

\*\* See page 47 that shows the tenure of the Chief Executive post.

\*\*\* The above pension entitlements do not take account of the increased remuneration for these individuals that was the result of the event after the reporting period outlined in Note 14. to the Financial Statements (page 82). The information was unavailable to revise

*the pension entitlement for this disclosure but the pension disclosure in the 2020-21 Annual Report and Accounts will reflect the revised position.*

## **Northern Ireland Civil Service (NICS) Pension Schemes**

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

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 – 31 March 2020 are as follows:

### **Scheme Year 1 April 2019 to 31 March 2020**

<b>Annualised Rate of Pensionable Earnings (Salary Bands)</b>		<b>Contribution rates – All members</b>
<b>From</b>	<b>To</b>	<b>From 01 April 2019 to 31 March 2020</b>
£0	£23,500.99	4.6%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		8.05%

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real increase in CETV**

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

and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## **Payments to Past Directors (Audited Information)**

There were no payments paid to past Directors of the Commission during 2018-19 (2017-18: Nil).

## **Compensation for Loss of Office (Audited Information)**

There was no compensation paid for loss of office during 2018-19 (2017-18: Nil).

## **Off-payroll engagements**

There were no 'off-payroll' engagements at a cost of over £245 per day, lasting longer than six months per annum in place during 2018-19.

## **Staff Report (Audited Information)**

### **Senior Civil Servants**

The number of Senior Civil Service staff (or equivalent) by salary band at 31 March is as follows:

<b>Salary Band</b>	<b>2018-19 Number</b>	<b>2017-18 Number</b>
Pay Scale 1 £70,522-£80,847	1	1

The optimum staffing structure, agreed at the end of 2013-14, continues to be 12.5 full time equivalents (FTEs). New direct recruits and the loss of Secondees in 2018-19 has shifted the balance of employees toward directly recruited staff.

NIJAC is committed to staff development to ensure a quality and cost effective service is delivered. Direct recruits are employed on NIJAC terms and conditions and all policies are appropriately applied, including the performance management system.

The average number of staff in post during 2018-19 can be found on page 57.



The gender split for the Board (Commissioners) and staff at 31 March 2019 (prior year comparison in brackets) is as follows:

	<u>Total</u>	<u>Male</u>	<u>Female</u>
The Board	10(7)	6 (5)	4 (2)
Senior Managers	1 (1)	0 (0)	1 (1)
Employees	10 (11)	4 (6)	6 (5)

### Staff costs comprise:

	<b>Permanently employed staff £</b>	<b>Inward seconded staff * £</b>	<b>Agency staff £</b>	<b>Commissioners £</b>	<b>2018-19 Total £</b>	<b>2017-18 Total £</b>
Wages and salaries	332,451	79,702	9,317	42,608	464,078	465,199
Social security costs	29,966	5,227	-	580	35,773	29,691
Other pension costs	76,453	12,999	-	-	89,452	88,402
<b>Total costs</b>	<b>438,870</b>	<b>97,928</b>	<b>9,317</b>	<b>43,188</b>	<b>589,303</b>	<b>583,292</b>

\* Inward seconded staff wages and salaries cost includes £16,321 (2017-18: £38,569) relating to VAT.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but NIJAC is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

For 2018-19, employers' contributions of £76,453 were payable to the NICS pension arrangements (2017-18: £53,635) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work was completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20.

Employer contribution rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £Nil (2017-18 £Nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2017-18: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £Nil, 0.5% (2017-18: £Nil, 0.5%) of pensionable pay, were payable to the NICS Pension Schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

No persons (2017-18: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2017-18: £Nil).

## Average number of persons employed (Audited Information)

The average number of whole-time equivalent persons employed (including senior management, but excluding Commissioners) during the year was as follows:

	Permanent staff	Seconded staff	Agency staff	2018-19 Number Total	2017-18 Number Total
Chief Executive	1.0	-	-	1.0	1.0
Corporate Finance Team	2.0	1.0	-	3.0	3.0
Judicial Appointments Team	5.7	1.7	0.3	7.7	7.9
<b>Total</b>	<b>8.7</b>	<b>2.7</b>	<b>0.3</b>	<b>11.7</b>	<b>11.9</b>

## **Reporting of Civil Service and other compensation schemes (Audited Information)**

### **Exit Packages**

There are no Civil Service or other compensation schemes exit packages to report in 2018-19 (2017-18: Nil).

## **Equal Opportunities and Diversity**

There are policies in place to guard against discrimination, to ensure compliance with legal requirements and to ensure that there are no unfair or illegal discriminatory barriers to employment and advancement in NIJAC.

Generally the policies contained in the Northern Ireland Civil Service Staff Handbook have been adopted by NIJAC and apply both to staff on secondment and those directly recruited.

All staff are currently managed under the NICS Equal Opportunities Policy, which guards against discrimination in employment and which values and respects all individuals.

Staff are currently covered by the Equality Scheme produced by the NICS, which seeks to ensure compliance with the public sector equality duty to have due regard for the promotion of equality of opportunity in respect of disability, gender, race, religion, political opinion and among those of different ages, marital status or sexual orientation or who have or have not dependants; and good relations between those of different religions, political opinions and races.

The sponsor department's Employment Equality Plan to protect all those groups from discrimination also applies. Employment and recommendation for promotion are based solely on merit. Where staff work reduced hours, they are assessed on the same basis as those working full time. A Dignity and Harmony at Work policy is in place to secure a positive working environment.

## **Employment of Disabled Persons**

NIJAC adheres to the NICS Code of Practice on the Employment of Disabled People that aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career advancement in NIJAC is based solely on ability, qualifications and suitability for the post.

NIJAC aims to ensure that people with disabilities have equality of opportunity and fair participation in all aspects of their employment, and that discrimination does not take place.

## **Learning & Development**

NIJAC recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

## **Employee Involvement**

NIJAC encourages widespread consultation and exchange of information at all levels. This is achieved through senior staff briefings and the cascading of information to all staff. All staff are automatically invited to contribute during the consultation exercises issued in relation to staff policies.

## **Days lost due to absence**

NIJAC encourages a culture where good attendance is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. NIJAC aims to treat its staff who are ill, with sympathy and fairness, and where possible to provide them with support which will enable them to recover their health and attend work regularly.

In 2018-19 the percentage of working days lost was 2.1% (2017-18: 1.1%) or an average of 5.4 days (2017-18: 2.87) per annum per employee. There was one member of staff on long term sick absence during 2018-19 (2017-18: 1). The average working days lost excluding long-term sick is 3.04 (2017-18 1.66).

## **Expenditure on Consultancy**

There was no expenditure on consultancy in 2018-19 (2017-18 nil).

# Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts.

## Regularity of Expenditure (Audited Information)

As NIJAC's Accounting Officer I am content that the expenditure and income of the Commission has been applied to the purposes intended by the NI Assembly. Furthermore I am content that NIJAC's transactions are within the scope of the authorities that govern them, and that there are no material weaknesses in the design and implementation of NIJAC's internal controls to prevent and detect fraud.

## Fees and Charges (Audited Information)

NIJAC does not charge for its services therefore there is no requirement to complete a Memorandum Trading Account (MTA) detailing forecast income and expenditure in support of the charging proposals for schemes / services.

The income figure reported in Note 3 consists of recharges for rent, rates, and other premises costs for the sharing of Headline Building.

## Remote Contingent Liabilities (Audited Information)

NIJAC has no remote contingent liabilities as at 31 March 2019.

## Losses and Special Payments (Audited Information)

### Losses Statement

	31/03/19		31/03/18	
	Number	£	Number	£
Total Losses under £250,000	-	-	-	-
Total Losses over £250,000	-	-	-	-

### Special Payments

There were no special payments made during the year.

## **Conclusion**

NIJAC continues to maintain and operate a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI.

Further to considering the approach to assurance and accountability within NIJAC, I am content that the Commission has operated a sound system of internal governance during the period 2018-19.

A handwritten signature in black ink, appearing to read 'Tonya McCormac', is positioned above the printed name.

**Tonya McCormac**

**Accounting Officer 28 May 2021**

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Judicial Appointments Commission for the year ended 31 March 2019 under the Justice (Northern Ireland) Act 2002 as amended. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Judicial Appointments Commission's affairs as at 31 March 2019 and of the Northern Ireland Judicial Appointments Commission's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended and The Executive Office directions issued thereunder.

## Opinion on regularity

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

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Judicial Appointments Commission in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Northern Ireland Judicial Appointments Commission's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Northern Ireland Judicial Appointments Commission has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Judicial Appointments Commission's ability to continue to adopt the going concern basis.

### **Other Information**

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

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

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Executive Office directions made under the Justice (Northern Ireland) Act 2002 as amended; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities of the Commissioners and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Commissioners and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an



audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

### **Matters on which I report by exception**

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

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

### **Report**

I have no observations to make on these financial statements.



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

*10 June 2021*

**NORTHERN IRELAND JUDICIAL  
APPOINTMENTS COMMISSION**

**FINANCIAL STATEMENTS**

**2018-19**

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

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

		2018-19 £	2017-18 £
	<b>Note</b>		
Other operating income	3	(119,482)	(74,278)
<b>Total Operating Income</b>		<b>(119,482)</b>	<b>(74,278)</b>
Staff Costs	4.1	589,303	583,292
Other Operating Expenditure	4.1	574,112	529,527
Depreciation, amortisation and revaluation	4.2	686	1,126
<b>Total Operating Expenditure</b>		<b>1,164,101</b>	<b>1,113,945</b>
<b>Net expenditure for the year</b>		<b>1,044,619</b>	<b>1,039,667</b>

All operations are continuing.

### Other Comprehensive Net Expenditure

Items that will not be reclassified to net operating costs:

		2018-19 £	2017-18 £
	<b>Note</b>		
Net (gain) / loss on revaluation of Intangibles	6	-	-
<b>Comprehensive net expenditure for the year</b>		<b>1,044,619</b>	<b>1,039,667</b>

The notes on pages 70 to 82 form part of the accounts.

## Statement of Financial Position as at 31 March 2019

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

		2019		2018
		£	£	£
	<b>Note</b>			
<b>Non-current assets:</b>				
Property, plant and equipment	5	17,983		944
Intangible assets	6	-		115
<b>Total non-current assets</b>			<b>17,983</b>	<b>1,059</b>
<b>Current assets:</b>				
Trade and other receivables	7	37,713		17,094
Cash and cash equivalents	8	24,880		25,737
<b>Total current assets</b>			<b>62,593</b>	<b>42,831</b>
<b>Total assets</b>			<b>80,576</b>	<b>43,890</b>
<b>Current liabilities</b>				
Trade and other payables	9	(153,737)		(137,432)
<b>Total current liabilities</b>			<b>(153,737)</b>	<b>(137,432)</b>
<b>Total assets less current liabilities</b>			<b>(73,161)</b>	<b>(93,542)</b>
<b>Total assets less total liabilities</b>			<b>(73,161)</b>	<b>(93,542)</b>
<b>Taxpayers' equity and other reserves</b>				
Revaluation reserve			1,514	1,514
General reserve			(74,675)	(95,056)
<b>Total equity</b>			<b>(73,161)</b>	<b>(93,542)</b>

The financial statements on pages 65 to 82 were approved by the Plenary on 28 May 2021 and were signed on its behalf by:



**Tonya McCormac**  
**Chief Executive / Accounting Officer**  
**28 May 2021**

The notes on pages 70 to 82 form part of the accounts.

## Statement of Cash Flows for the year ended 31 March 2019

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

		2018-19	2017-18
		£	£
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net Expenditure		(1,044,619)	(1,039,667)
Adjustments for non-cash transactions (Increase) / decrease in trade and other receivables	4.2	686	1,126
Increase / (decrease) in trade and other payables	7	(20,619)	15,544
	9	16,305	(37,688)
<b>Net cash outflow from operating activities</b>		<b>(1,048,247)</b>	<b>(1,060,685)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(17,610)	-
Purchase of intangible assets	6	-	-
<b>Net cash outflow from investing activities</b>		<b>(17,610)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Grants from sponsoring department		1,065,000	1,023,495
<b>Net financing</b>		<b>1,065,000</b>	<b>1,023,495</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period</b>			
		<b>(857)</b>	<b>(37,190)</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
	8	<b>25,737</b>	<b>62,927</b>
<b>Cash and cash equivalents at the end of the period</b>			
	8	<b>24,880</b>	<b>25,737</b>

The notes on pages 70 to 82 form part of the accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

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

	<b>General Fund £</b>	<b>Revaluation Reserve £</b>	<b>Taxpayers' Equity £</b>
<b>Balance at 31 March 2017</b>	(78,884)	1,514	(77,370)
Grants from Sponsoring Department	1,023,495	-	1,023,495
Comprehensive Net Expenditure for the year	(1,039,667)	-	(1,039,667)
Transfers between reserves	-	-	-
Gain on revaluation of intangibles	-	-	-
<b>Balance at 31 March 2018</b>	<b>(95,056)</b>	<b>1,514</b>	<b>(93,542)</b>
Grants from Sponsoring Department	1,065,000	-	1,065,000
Comprehensive Net Expenditure for the year	(1,044,619)	-	(1,044,619)
Transfers between reserves	-	-	-
Gain on revaluation of intangibles	-	-	-
<b>Balance at 31 March 2019</b>	<b>(74,675)</b>	<b>1,514</b>	<b>(73,161)</b>

The notes on pages 70 to 82 form part of the accounts.

# Notes to the Financial Statements

## 1.0 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2018-19 *Government Financial Reporting Manual (FReM)* issued by the DoF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NIJAC for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIJAC are described below. They have been applied consistently in dealing with items considered material to the accounts.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in FReM.

### 1.2 Property, Plant and Equipment

Property, plant and equipment comprises of plant and equipment, furniture and fittings, and information technology.

Expenditure on property, plant and equipment of £1,000 or more is capitalised. For furniture and fittings and information technology the individual assets are recorded on a pooled basis.

On initial recognition, assets are measured at cost, including any costs such as installation, directly attributable to bringing them into working condition.

All property, plant and equipment is reviewed annually for impairment. As permitted by the FReM, NIJAC has adopted the depreciated historical cost basis as a proxy for fair value where non-property operational assets are deemed to be short-life or low value assets.

All non-property operational assets are deemed to be short-life or low value assets and are therefore valued on the basis of depreciated historical cost as an approximation of fair value.

Under IFRS 13 Property, Plant and Equipment were not revalued as there is unlikely to be material difference between historical cost amounts and the revalued amounts due to the short expected useful life of the assets and their low values.

All expenditure on repairs and maintenance is charged to the Statement of Comprehensive Net Expenditure during the financial year in which it is incurred.

### **1.3 Intangible assets**

Expenditure on intangible assets which includes software, software licences, and the associated costs of implementation is capitalised where the cost is £1,000 or more.

Intangible assets are reviewed annually for impairment. Intangible assets are not currently revalued as the net book value is such that any revaluation would be immaterial.

### **1.4 Depreciation and Amortisation**

Property, plant, and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation is charged in the month of acquisition.

Intangible assets are amortised over the shorter of the term of the licence and the useful economic life.

Useful lives are normally in the following ranges:

Plant and Equipment	5-10 years
Furniture and Fittings	5-10 years
Information Technology	3 years
Intangible Assets	3 years

The residual values of assets are reviewed on a periodic basis.



Additions to non-current assets will be depreciated from the month of acquisition where material. Disposals from non-current assets will not be depreciated in the month of disposal.

### **1.5 Financing**

Grant-in-Aid funding received from TEO is treated as financing and is recorded in the accounts as a movement in the General Fund.

### **1.6 Income**

Income consists of recharges for rent, rates, and other premises costs for the sharing of Headline Building with the Renewable Heat Incentive (RHI) Inquiry team from 20 August 2018.

Adoption of IFRS 15 (Revenue from Contracts with Customers) has not had an impact on NIJAC's financial position.

### **1.7 Operating leases**

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

### **1.8 Pensions**

Past and present employees are covered by the provisions of the Civil Service Pension Scheme (CSP) which are described in the Remuneration and Staff Report. The defined benefit schemes are unfunded. NIJAC 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 CSP of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSP. In respect of the defined contribution elements of the schemes, NIJAC recognises the contributions payable for the year. A separate scheme statement is prepared for CSP as a whole.

### **1.9 Value Added Tax**

NIJAC is ineligible to reclaim input Value Added Tax (VAT) on expenditure. Therefore, all expenditure is inclusive of VAT.

### **1.10 Contingent Liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37, NIJAC discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *MPMNI*.

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

### **1.11 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

As the cash requirements of NIJAC are met through Grant-in-Aid provided by TEO, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NIJAC's expected purchase and usage requirements and is therefore exposed to little credit, liquidity or market risk.

### **1.12 Employee Benefits**

Under the requirements of IAS 19 *Employee Benefits*, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any annual and flexi leave entitlements that have been earned at the year-end but not yet taken. The cost of untaken annual and flexi leave has been determined by using actual salary costs and the data from staff leave returns at 31 March. It is not anticipated that the level of untaken leave will vary significantly from year to year.

### **1.13 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2019**

Additional or revised accounting standards and new (or amendments to) interpretations contained within FReM 2018-19 have been considered. The adoption of these standards has not had a significant impact on NIJAC's financial position or results. Specifically adoption of IFRS 15 has not had an impact on NIJAC's financial position.

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

NIJAC has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. NIJAC considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

## 2. Statement of Operating Costs by Operating Segment

The organisation's operating structure has been reviewed to identify if there are any business activities which are unconnected and thus separate segments as defined by IFRS 8 *Operating Segments*. NIJAC does not generate any income streams; any income disclosed in the accounts relates to rechargeable expenses as a result of the shared occupancy of the building 2018-19: £119,482 (2017-18: £74,278).

NIJAC's expense generating activities are interlinked and cannot operate in isolation, therefore the Chief Executive Officer in her role as Accounting Officer and Chief Operating Decision Maker (CODM) does not consider there to be separate segments within the organisation.

Financial information is reported to the CODM, Plenary, the Business Committee, the ARMC and TEO, for the organisation as a whole, no part of the organisation is reported on separately. The budget is bid for, allocated and managed by NIJAC as a whole; there are no budget allocations to a specific area as a separate segment.

## 3. Income

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Reimbursement of costs	119,482	74,278
<b>Total Income</b>	<b>119,482</b>	<b>74,278</b>

#### 4. Expenditure

	2018-19	2017-18
	£	£
<b>4.1 Operating costs</b>		
Staff Costs <sup>1</sup> :		
Wages and Salaries	464,078	465,199
Social Security Costs	35,773	29,691
Other Pension Costs	89,452	88,402
Accommodation Costs	247,947	245,475
Maintenance	38,406	29,843
Security Costs	67,779	64,147
Scheme Costs	54,297	35,123
IT Services	31,864	34,395
Heat & Light	31,112	23,820
Managed Service Fees	23,146	34,504
Other Costs	8,541	10,839
Other Accommodation Services	12,246	10,484
Staff Related Costs	12,479	19,275
Auditors' Remuneration <sup>2</sup>	9,900	9,700
Commissioner Costs	13,214	8,552
Printing, Design and Stationery	1,795	2,408
Operating Leases	522	962
Research	20,864	-
<b>Total</b>	<b>1,163,415</b>	<b>1,112,819</b>
<b>4.2 Non-cash items</b>		
Amortisation	115	616
Depreciation	571	510
<b>Total</b>	<b>686</b>	<b>1,126</b>

<sup>1</sup>Further analysis of staff costs is located in the Staff Report on pages 55 to 58.

<sup>2</sup>During the year, NIJAC purchased no non-audit services from its auditor (NI Audit Office).

## 5. Property, plant and equipment

	Plant and Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	10,784	5,000	17,716	33,500
Additions	9,414	3,795	4,401	17,610
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>20,198</b>	<b>8,795</b>	<b>22,117</b>	<b>51,110</b>
<b>Depreciation</b>				
At 1 April 2018	10,784	4,056	17,716	32,556
Charged in year	73	376	122	571
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>10,857</b>	<b>4,432</b>	<b>17,838</b>	<b>33,127</b>
<b>Carrying amount at 31 March 2019</b>	<b>9,341</b>	<b>4,363</b>	<b>4,279</b>	<b>17,983</b>
<b>Carrying amount at 31 March 2018</b>	<b>-</b>	<b>944</b>	<b>-</b>	<b>944</b>
<b>Asset financing:</b>				
Owned	9,341	4,363	4,279	17,983
Finance Leased	-	-	-	-
<b>Carrying amount at 31 March 2019</b>	<b>9,341</b>	<b>4,363</b>	<b>4,279</b>	<b>17,983</b>

	Plant and Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	10,784	5,000	17,716	33,500
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2017</b>	<b>10,784</b>	<b>5,000</b>	<b>17,716</b>	<b>33,500</b>
<b>Depreciation</b>				
At 1 April 2017	10,545	3,785	17,716	32,046
Charged in year	239	271	-	510
Disposals	-	-	-	-
<b>At 31 March 2018</b>	<b>10,784</b>	<b>4,056</b>	<b>17,716</b>	<b>32,556</b>
<b>Carrying amount at 31 March 2018</b>	<b>-</b>	<b>944</b>	<b>-</b>	<b>944</b>
<b>Carrying amount at 31 March 2017</b>	<b>239</b>	<b>1,215</b>	<b>-</b>	<b>1,454</b>
<b>Asset financing:</b>				
Owned	-	944	-	944
Finance Leased	-	-	-	-
<b>Carrying amount at 31 March 2018</b>	<b>-</b>	<b>944</b>	<b>-</b>	<b>944</b>

## 6. Intangible assets

Intangible assets comprise of software and associated implementation costs.

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2018	34,455
Additions	-
Disposals	-
Revaluations	-
<b>At 31 March 2019</b>	<b>34,455</b>
<b>Amortisation</b>	
At 1 April 2018	34,340
Charged in year	115
Disposals	-
Revaluations	-
<b>At 31 March 2019</b>	<b>34,455</b>
<b>Carrying amount at 31 March 2019</b>	<b>-</b>
<b>Carrying amount at 31 March 2018</b>	<b>115</b>
<b>Asset financing:</b>	
Owned	-
Finance Leased	-
<b>Carrying amount at 31 March 2019</b>	<b>-</b>
	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2017	34,455
Additions	-
Disposals	-
Revaluations	-
<b>At 31 March 2018</b>	<b>34,455</b>
<b>Amortisation</b>	
At 1 April 2017	33,724
Charged in year	616
Disposals	-
Revaluations	-
<b>At 31 March 2018</b>	<b>34,340</b>
<b>Carrying amount at 31 March 2018</b>	<b>115</b>
<b>Carrying amount at 31 March 2017</b>	<b>731</b>
<b>Asset financing:</b>	
Owned	115
Finance Leased	-
<b>Carrying amount at 31 March 2018</b>	<b>115</b>

## 7. Trade receivables and other current assets

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	-	-
Other receivables	-	-
Prepayments and accrued income	37,713	17,094
<b>Total</b>	<b>37,713</b>	<b>17,094</b>

There are no trade receivables or other current asset amounts falling due after more than one year.

## 8. Cash and cash equivalents

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Balance at 1 April	25,737	62,927
Net change in cash and cash equivalent balances	(857)	(37,190)
<b>Balance at 31 March</b>	<b>24,880</b>	<b>25,737</b>

The following balances at 31 March were held at:

Commercial banks and cash in hand	24,880	25,737
<b>Balance at 31 March</b>	<b>24,880</b>	<b>25,737</b>



## 9. Trade payables and other current liabilities

	2018-19	2017-18
	£	£
<b>Amounts falling due within one year:</b>		
Trade payables	12,055	84
Accruals and deferred income	141,682	137,348
<b>Total</b>	<u>153,737</u>	<u>137,432</u>

There are no trade payables or other current liabilities falling due after more than one year.

## 10. Commitments under leases

### 10.1 Operating leases

NIJAC make use of premises where the operating lease is held by TEO. NIJAC is invoiced directly by the lessor for the lease of the premises; NIJAC does not have any future commitments in respect of these leases.

The lease of Headline Building runs from 7 January 2012 for 15 years and was signed by the DoF on behalf of TEO.

NIJAC holds no operating leases in its own name.

## 11. Contingent Liabilities

NIJAC staff permanent contracts of employment were found during the financial year to be wrongly linked to the NIAC Staff Handbook and had been like this for a number of years. Although substantially the same as NICS Terms and Conditions good practice indicated that a process of negotiation with staff and the trade union should be undertaken to agree NIJAC Employment Contracts. Agreement on this was reached in December 2020. Staff signed these in February 2021 and received an incentive payment to do so. The amount involved will be accounted for in the year ending 31 March 2021.

## **12. Financial instruments**

IFRS 7 *Financial Instruments: Disclosures* requires NIJAC to provide disclosure that enables evaluation of the significance of financial instruments for NIJAC's financial position and performance, and the nature and extent of risks arising from financial instruments to which NIJAC is exposed during the period and at the reporting date, and how NIJAC manages those risks. Due to the largely non-trading nature of NIJAC's activities and the way in which executive non-departmental bodies are financed, NIJAC 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 IFRS 7 mainly applies.

NIJAC has no powers to borrow or invest surplus funds and except for relatively insignificant purchases of foreign currency, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing NIJAC in undertaking its activities.

### **12.1 Classification of financial instruments**

NIJAC's financial assets are classified as trade receivables and other current assets (Note 7) and cash and cash equivalents (Note 8). NIJAC's financial liabilities are trade payables and other current liabilities (Note 9). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. All financial instruments held by NIJAC are non-interest bearing.

## **13. Related-party transactions**

NIJAC is a NDPB sponsored by TEO; NIJAC has had material transactions in the form of Grant in Aid with TEO.

NIJAC has had material transactions in the form of recharges for the sharing of Headline Building with The Renewable Heat Incentive (RHI) Inquiry. The recharges are for rent, rates, and other premises costs.

NIJAC seconded staff in 2018-19 from Department of Agriculture, the Department for Communities (DfC), the Department for the Economy (DfE), the Department of Finance (DoF) and the Department of Health (DoH).

NIJAC also has had material transactions with the DoF in the form of services provided by Enterprise Shared Services (ESS) and Central Procurement Directorate (CPD).

TEO, RHI Inquiry, DfC, DfE, DoF and DoH are regarded as related parties.

None of the Commissioners, members of key management staff or other related parties has undertaken any material transactions with NIJAC during the year.

#### **14. Events after the Reporting Period**

There are two events that have occurred after the reporting period that provide further evidence of conditions that existed at the end of the reporting period.

(i) The Chief Executive post was remunerated during the year at the equivalent of the NICS Level 6 salary scale and should have been remunerated at the Senior Civil Service (SCS) Level 5 salary scale. This is an adjusting event and an additional amount has been accrued in the year end Accounts and taken account of in the salary band shown in the Remuneration Report for the Chief Executive. The Annual Report and Accounts for the years ending 31 March 2018 and 31 March 2020 also include the financial impact relevant to those years for this event.

(ii) The pay award for 2018-19 was approved by TEO in November 2019 before the Annual Report and Accounts had been authorised for issue. The impact of this has been accounted for in the accrued amount noted at (i) above for the Chief Executive's remuneration.

#### **Date of authorisation for issue**

The Accounting Officer, Tonya McCormac, authorised the issue of these financial statements on 10 June 2021.

**Contact NIJAC:**

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