



# NIJAC

*Northern Ireland Judicial  
Appointments Commission*

Annual Report and Accounts 2006 - 2007

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*Selecting the best candidates  
and promoting diversity*



# **Northern Ireland Judicial Appointments Commission**

## **Annual Report and Accounts For the period ended 31 March 2007**

Laid before Parliament by the Lord Chancellor & Secretary of State  
for Justice pursuant to Schedule 2 paragraph 5 to the Justice  
(Northern Ireland) Act 2002

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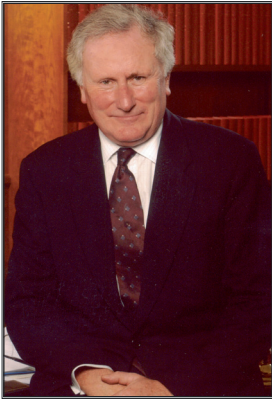
# ANNUAL REPORT and ACCOUNTS 2006 - 2007

*Selecting the best candidates and promoting diversity*

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*The Rt Hon Sir Brian Kerr,  
the Lord Chief Justice of  
Northern Ireland,  
Chairman of the  
Commission*

## FOREWORD

This report covers the period 1 April 2006 to 31 March 2007. It is the second report on the work of the Northern Ireland Judicial Appointments Commission, which was established on 15 June 2005.

I am particularly pleased about the substantial

progress made during the year on the policies and procedures of the Commission, our diversity research and our equity monitoring analysis. I wish to place on record my appreciation of the commitment and diligence of each of the Commission members in undertaking this work.

During the year the Commission made 151 recommendations for appointment to the Lord Chancellor, all of which were accepted. The appointments included two High Court Judges, two High Court Masters, a Presiding Coroner and a Deputy Social Security Commissioner. Appointments were also made to the Industrial Tribunal/Fair Employment Tribunal, the Pensions Appeal Tribunals, the Mental Health Review Tribunal, the Northern Ireland Valuation Tribunal and the VAT & Duties Tribunal.

In this reporting period the Commission completed an equity monitoring exercise for the members of the judiciary. We also carried out equity monitoring exercises for each recruitment scheme. This

information will allow the Commission to evaluate and monitor the impact of our diversity and outreach work. We also commenced a research project into historical patterns of female appointment to judicial office in Northern Ireland and into any possible disincentives to woman applying for appointment.

During the year, to help promote and stimulate interest in judicial office, we have had meetings with the Bar Council and the Law Society and have received diversity information about their respective memberships. We have also carried out substantial work on our policies and procedures on judicial appointments and on our Code of Practice, and we are working towards a public consultation on these proposals.

While this ongoing work will assist us in our consideration of our longer term strategies, we have also considered and implemented programmes of action on a scheme by scheme basis during the year.

Finally, we arranged for an independent audit to be carried out into our staffing levels. The audit recommended that the senior management team be increased by three extra staff. Following external recruitment exercises, we have identified staff, with specific experience and skills in the areas of recruitment and selection, diversity and communications and governance and compliance.

*The Right Honourable Sir Brian Kerr, the Lord  
Chief Justice of Northern Ireland,  
Chairman of the Northern Ireland Judicial  
Appointments Commission.*

### OUR GOAL IS:

To provide the community, so far as it is reasonably practicable to do so, with a judiciary that reflects the Northern Ireland community. The Northern Ireland Judicial Appointments Commission, “the Commission”, aims to do this by:

- taking steps to ensure that a diverse group of eligible candidates put themselves forward for each judicial and tribunal post it advertises; and
- selecting the best candidates through a fair, rigorous and transparent appointment process that is grounded in merit.

### OUR VALUES ARE:

- **independence:** the Commission is independent of Government. We make our decisions on whom to recommend for appointment and work to achieve a reflective judiciary free from any outside influence;
- **appointment on merit:** we will recommend candidates for appointment solely on the basis of merit;
- **reflectiveness:** we will implement a programme of action to secure, so far as is reasonably practicable to do so, a reflective applicant pool and a judiciary that is reflective of the community;
- **fairness:** we will be fair in our decision making;
- **transparency:** we will be open about our policies, procedures and activities; and
- **accountability:** we will explain our activities and where appropriate provide reasons for our decisions.

# MANAGEMENT COMMENTARY

## Introduction

This Annual Report covers the second year of the Commission's activity. Having been established on 15 June 2005 the Commission immediately began both a programme of appointment schemes and consideration of appropriate competences and criteria for appointment to judicial office, assessment practices and methods. This process of review was undertaken individually on an appointment scheme by appointment scheme basis. It enabled Commissioners to quickly identify judicial appointment issues and to work to identify and remove disincentives in the process.

2006-2007 was an intensive year for the Commission in terms of the number of appointment schemes it was invited to administer (some at very short notice). As a result some of the more strategic work did not progress at the rate at which the Commission first anticipated. The Commission considered it right to give priority to filling judicial appointment vacancies and it is pleased to report that all appointment schemes were administered within the timeframes agreed. No complaints were received.

## History and Background

The Commission is a Non Departmental Public

Body (NDPB) and was established on 15 June 2005. It was established under the Justice (NI) Acts 2002 & 2004.

The Commission was established to enhance an independent process for the appointment of members of the judiciary and tribunals. It recommends candidates for appointment thereby removing this function from Government Ministers and the political process. It is funded by its sponsor department, the Northern Ireland Court Service (the Court Service), which was then a department of the Lord Chancellor and Secretary of State for Constitutional Affairs.

## Vision

The Commission's vision is:  
*Selecting the best candidates and promoting diversity.*

## Composition of the Commission

The Commission comprises 13 members drawn from the judiciary, the legal profession and members of the public who are not lawyers. Commission Members are as follows:

The Right Honourable Sir Brian Kerr (Chairman),  
the Lord Chief Justice of Northern Ireland;  
Mrs Fiona Bagnall, Presiding Resident Magistrate;  
Mrs Sinéad Burns, Lay Magistrate;  
The Right Honourable Lord Justice Campbell,  
Lord Justice of Appeal;



## *Selecting the best candidates and promoting diversity*

Mr Peter Cush, Barrister at Law, Legal Member;  
Mr John G Gordon, Solicitor, Legal Member;  
Dame Joan Harbison CBE DBE, Lay Member;  
Mrs Ruth Laird, Lay Member;  
Her Honour Judge Loughran, County Court Judge;  
Mr Harry McConnell OBE, Lay Member;  
Professor John Morison, Lay Member;  
Dr Raymond Mullan OBE, Lay Member; and  
The Honourable Mr Justice Weatherup, High Court Judge.

All members of the Commission have been appointed for an initial period of three years. Their initial term of office expires on 14 June 2008. All members are non-executive and independent.

Pen Pictures of all Commission members can be found on the Northern Ireland Judicial Appointments Commission website at [www.nijac.org](http://www.nijac.org).

Our statutory responsibilities are:

- to conduct the appointments process and make recommendations to the Lord Chancellor in respect of all listed judicial offices up to and including High Court Judge;
- to recommend candidates solely on the basis of merit;
- engage in a programme of action to secure, so far as it is reasonably practicable to do so, that appointments to listed judicial offices are such that those holding such offices are reflective of the community in Northern Ireland;
- engage in a programme of action to secure, so far as it is reasonably practicable to do so, that a range of persons reflective of the community in Northern Ireland is available for consideration by the Commission whenever it is required to select a person to be appointed, or recommended for appointment, to a listed judicial office; and
- to publish an annual report setting out the activities and accounts for the past year.

## **Operating Review**

In this reporting period the Commission made recommendations for appointments to 13 judicial offices, some 62.5% more than originally indicated at the beginning of the financial year. The Commission devoted substantial time and resource to develop a draft Code of Practice for Judicial Appointments and made preparation for consultation with interested parties on its policies and procedures. Consultation will take place in the autumn of 2007 and will be reported on in the next Annual Report.

In respect of its diversity agenda the Commission has completed its equity monitoring of current judicial office holders and is working with the Northern Ireland Statistics and Research Agency (NISRA) to analyse and report on the findings. The Diversity Committee commenced a survey to examine the historical patterns of female appointments to judicial office and to identify any disincentives to females applying for appointment.

The Commission has continued to develop its programme of diversity action. It is making arrangements to make presentations to the Bar, Law Society, the Institute of Professional Legal Studies and the Judicial Studies Board in autumn 2007 on the work of the Commission and on the appointments process.

## **Financial Review**

As an NDPB, the Commission is subject to the relevant Government and accounting deadlines. The Commission is financed by grant in aid through the sponsor department (the Court Service) and does not normally obtain additional funding from any other source. However, in 2006/07 the Commission was requested as a priority to run schemes to appoint a large number of members of the Northern Ireland Valuation Tribunal. This late request was not included in the allocated budget and the Commission sought and obtained reimbursement from the sponsor department of the Tribunal.

Expenditure for the period totalled £1,479,894. The main areas of expenditure were on staff costs (£706,084 : 47.7% of total expenditure) and services provided by the Court Service under separate service level agreements (£226,124 : 15.3%). Receipts for the period totalled £129,289 resulting in net expenditure of £1,350,605.

An increase in the anticipated number of appointment schemes to be administered required

some wider strategic programmes to be deferred. Together with tight internal financial constraints the result was that the total grant drawn down from the Court Service of £1,432,774 was well below the budgeted allocation of £1,600,000.

Capital expenditure during the year amounted to £1,567. At the year end, the assets owned by the Commission had a net book value of £3,744. In addition to these assets, the Commission also makes use of various assets that belong to the Court Service. An annual charge is made by the Court Service for the use of these assets.

## **Commission Members' Interests**

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

## **Purpose**

The Commission is committed to appointing the best possible judges for Northern Ireland through fair, open and transparent selection and appointment processes. It recognises and values diversity and seeks to promote equality while ensuring that merit remains the principle for recommending candidates for appointment. It is working to encourage all eligible candidates – regardless of gender, ethnic background, marital status, sexual orientation, political affiliation, geographical location, religion or disability – to consider applying for judicial office. The Commission undertakes to ensure that those who apply will undergo an appointment process that

assesses their abilities and personal qualities fairly and openly. In this way the Commission is confident that those best qualified will be appointed.

## **The Future**

### **Appointments Policies**

As the Commission moves into its third year a comprehensive review of Appointments Policy will be undertaken. The Commission has considered its policies and procedures in detail and taken account of its evaluation of those appointment schemes conducted so far. The Commission intends to consult with interested parties, from September to December 2007, on its appointments policies and procedures and programme of action. The views gathered from the consultation exercise will be analysed to evaluate, refine and improve the Commission's current policies, procedures and paperwork as necessary.

### **Staffing**

The benefits of specialist skills in the Senior Management Team in a small organisation was identified and an internal review of staffing was undertaken to consider skills, grading and numbers of staff. Following external recruitment schemes five new staff will take up position in autumn 2007. A new senior appointment at Grade 6 as Head of Planning, Resources and Compliance was identified in the Staffing Review. Two Grade 7 Appointments will be made to head the Appointments Policy and

Diversity and Communication Teams. Assistants to these team leaders will also be appointed. The new staff will bring extensive knowledge and experience in their fields.

### **Diversity**

The Commission has continued to develop its programme of diversity action. It is currently making arrangements to make presentations to the Bar, Law Society, the Institute of Professional Legal Studies and the Judicial Studies Board on the work of the Commission and on the appointments process. The Commission will also begin to develop a Communication Strategy detailing how it intends to communicate its key messages to interested parties. Work will also commence to settle significant and strategic medium to long term programmes of action targeting specific areas of under representation identified through the equity monitoring research project.

### **Devolution**

Should devolution of justice issues occur, there will be significant implications for the Commission in terms of the change in sponsor department responsibilities and the Ministers to whom we make our recommendations. The Senior Management Team through the sponsor department is considering the implications. Significant change in the procurement of the Commissions' corporate services is likely. In the longer term the Commission will also consider how it will:

- Settle longer term strategies for the period of the 2<sup>nd</sup> Corporate Plan;
- Monitor, measure and evaluate appointment policies and procedures and diversity strategies to introduce improvements where necessary on an annual basis; and
- Bring forward organisational quality improvements and value for money initiatives.

## STRATEGIC OBJECTIVES

### Appointments Process

- To recommend to the Lord Chancellor whom to appoint to judicial office by identifying in each case the best candidate on merit from a pool of candidates which is, as far as is reasonably practicable, reflective of the community.

### Diversity

- To engage in programmes of action designed, so far as is it is reasonably practicable, to support the Commission's aim to produce a judiciary that is reflective of society.

### Accountability

- To make effective and efficient use of our resources in order to achieve our objectives.

### Interested Parties

- To communicate helpful information, advice

and guidance to targeted audiences to stimulate interest and raise awareness of the judicial appointments process;

- To encourage applications from under-represented groups;
- To improve understanding of the application process and what judicial office entails; and
- To demonstrate openness and transparency and that appointments are made solely on the basis of merit.

A full description of the Commission's objectives and how it has met them during the period of this report is contained in Appendix 2.

## Governance

### Staff Resources

The Commission is supported by a staff of 17 headed by the Chief Executive. In this reporting year the Chief Executive was Alan Hunter. Mr Hunter left the Commission in September 2007. Ms Claire Archbold is currently in post as Acting Chief Executive pending a new permanent appointment.

### Salary and Pension Entitlements

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

### **Equal Opportunities and Diversity**

During the reporting year all staff in the Commission were on secondment from the Court Service, the sponsor department. 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 the Commission.

Staff are currently managed under the Court Service 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 Court Service 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 amongst those of different ages, marital status or sexual orientation or who have or have not dependents 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 promotion are based solely on merit. Those among the staff who work reduced hours are assessed on exactly the same basis as those working full time. The Commission has a Dignity and Harmony at Work policy in place to secure a positive working environment.

### **Employment of Disabled Persons**

The staff in the Commission are currently on secondment from the sponsor department, the Court Service. The Commission adheres to the Civil Service 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 the Commission is based solely on ability, qualifications and suitability for the post.

The Commission 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.

### **Employee Involvement**

The Commission encourages widespread consultation and exchange of information at all levels. This is effected through senior staff briefings and the cascade of information to all staff.

### **Payment of Suppliers**

Through the sponsor department, the Court Service, the Commission is committed to the prompt payment of suppliers. The Court Service has signed up to the Government's Prompt Payment Charter. The Commission does not itself pay suppliers directly but processes invoices

through the Court Service. Unless otherwise stated, payment is made within 30 days of the receipt of goods or services on presentation of a valid invoice or similar demand, whichever is later.

A prompt payment survey for the financial period 2006-2007 shows that 94.54 % (2005-2006 96.09%) of invoices were paid in accordance with the terms of the Charter.

### **Accounting Responsibilities**

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

### **Auditors**

The financial statements are audited by the Comptroller and Auditor General (C&AG). He and his staff are wholly independent of the Commission.

The audit of the financial statements for 2006-2007 resulted in an audit fee of £10,400. The C&AG did not provide any non-audit services during the year. I, as Acting Chief Executive, 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.

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## PROGRAMME OF BUSINESS CONDUCTED BY THE COMMISSION 2006 - 2007

This note sets out the programme of work completed by the Commission 1 April 2006 to 31 March 2007.

During the period of this report it has made the following recommendations for appointment and reappointment:

### Recommendations made 1 April 2006 – 31 March 2007

<b>Judicial Appointment</b>	<b>Number recommended</b>
Master (High Court)	1
Pensions Appeal Tribunals	2 Legal Members 2 Medical Members
Mental Health Review Tribunal	3 Medical Members
High Court Judge	2
Presiding Coroner	1
Deputy Social Security & Child Support Commissioner	1
Industrial Tribunals/Fair Employment Tribunals	4 Full Time Chairmen
NI Valuation Tribunal	1 President
NI Valuation Tribunal	23 Legal Chairmen
NI Valuation Tribunal	9 Valuation Members
NI Valuation Tribunal	99 Ordinary Members
Master (High Court) (EJO & Taxing Office)	1
VAT and Duties Tribunal	2

### Reappointments recommended 1 April 2006 – 31 March 2007

<b>Judicial Office</b>	<b>Number Reappointed</b>
Deputy Resident Magistrates	2
Industrial Tribunals	1 fee paid Legal Chairman

Mental Health Review Tribunal

2 fee paid Medical Members

Reserve Forces Reinstatement Committee

1 fee paid Legal Chairman

Appeal Tribunals

4 fee paid Financial Members

1 fee paid Medical Consultant Member

8 fee paid Medical Generalist Members

11 fee paid Legal Members

Lands Tribunal

1 President



## CHAPTER 1

### Policies and Procedures on Appointments

#### Corporate Objective - Appointments

To recommend to the Lord Chancellor whom to appoint to listed judicial office by identifying the best candidate on merit.

#### Principles and Policies

- a) In order to carry this out we will: develop, implement and publish a Judicial Appointments Code of Practice; and
- b) Ensure that recommendations as to appointment are made to the Lord Chancellor in compliance with our statutory obligations and the aims of the Commission.

During the year the Commission considered in detail judicial appointments policies and procedures. In particular the Commission carried out extensive work on a draft Judicial Appointments Code of Practice for consultation and preparing paperwork on its policies and procedures for consultation with interested parties. Work was well underway by the conclusion of this reporting year in order to be ready to begin the consultation on policies and procedures including the Judicial Appointments Code of Practice in the autumn.

The Commission is committed to selecting the best candidate for appointment only on the grounds of merit and is committed to doing so through a fair, rigorous and transparent appointment process grounded in the principle of merit.

#### The Judicial Appointments Process and Procedures

Each judicial appointment scheme is initiated with a request to the Commission to commence the scheme from the Government department with responsibility for the particular judicial office to which the appointment is to be made. The Commission is requested to conduct a recruitment scheme to identify one or more candidates for recommendation to the Lord Chancellor for appointment.

Once the Commission has approved the request and the timetable is set, taking account of the other appointment schemes which it is obliged to run, an advertisement will be placed in the newspapers and other locations, such as the Commission website, and applications are invited. The competences and criteria required for the particular appointment will have been agreed by the Commission and a Selection Committee is established. The Selection Committee is responsible for shortlisting candidates and identifying the candidate(s) for recommendation for appointment. The Committee comprises members of the Commission and may include

those who are not members of the Commission but who have the required expertise. A Selection Committee is always chaired by a member of the Commission and will be comprised of a judicial member, a lay member and a person with knowledge of the particular tribunal or court tier concerned.

The process in relation to each scheme always includes an assessment on eligibility, a shortlisting exercise and an interview process. An individual programme of action on diversity is also implemented in each case.

The Commission takes forward appointments policy matters through the Appointments Policy Committee which makes recommendations to plenary Commission. During the year the Committee conducted a review of the policies and procedures which underpin the appointments process and the achievement of the Commission's objectives. Amongst the most significant of the changes agreed as a result of the review were:

- The introduction of a 7 box (numerical) assessment system to shortlist candidates for interview;
- The extension of the 7 box (numerical) assessment system to the consultee process to assist consultees in assessing candidates against the competences and criteria for the judicial office applied for;
- Consultees no longer receive a copy of the self

assessment section of the candidate's application form;

- The introduction of a revised Complaints Procedure; and
- The introduction of a series of internal policy documents for the guidance of Commissioners and Committee members – Guidance to Selection Committee Members on Conflicts of Interest, Guidance to Selection Committee Members on Consultee Comments, Policy on Membership of Committees, Guidance to Chairmen of Selection Committees, Procedure for dealing with Late Applications/Late Consultee Comments.

Throughout the remainder of the year the application of the agreed policies and procedures was considered on a scheme by scheme basis to facilitate the implementation of any adjustments necessary to take account of the requirements of the particular judicial vacancy.

### **Commissioners Applying for Judicial Office – Conflicts of Interest**

Advice was also provided to the Lord Chancellor on the issue of how to address conflicts of interests of Commissioners applying for judicial office. This followed a consultation exercise with Commissioners, the Chairman of the Bar, President of the Law Society and judicial office holders. In the advice to the Lord Chancellor it was proposed that where an existing

Commissioner wishes to apply for appointment to a judicial office they should not participate in any Commission meetings until the recruitment scheme has been completed. The Commission advised the Lord Chancellor that it would prefer that future Commissioners should be required to resign from office if they intend to apply for appointment to a judicial office that falls within the Commission's remit. The Lord Chancellor approved these proposals and the recommendation is to be adopted as part of the terms and conditions in future appointments to membership of the Commission.

The Lord Chancellor's policy in respect of renewal of a fixed term appointment to judicial office gives fee paid office holders security of tenure through automatic re-appointment, subject to the individual office holder's agreement, the upper age limit not being exceeded, the individual satisfying the conditions for appointment and there being no grounds for non-renewal. The grounds for non-renewal are limited to:

- misbehaviour;
- incapacity;
- persistent failure to comply with sitting requirements;
- failure to comply with training requirements;
- sustained failure to observe the standards reasonably expected from a holder of such office;

- a reduction in numbers because of changes in operational requirements; or
- part of a structural change to enable recruitment of new part-time judicial office holders.

In each case in respect of the recommendations for re-appointments made, the Commission had regard to the grounds of renewal and non-renewal and information provided in relation to those matters by the relevant sponsor department.

## CHAPTER 2

### Diversity

#### Corporate Objective - Diversity

To engage in programmes of action to secure, so far as it is reasonably practicable to do so, a judiciary in Northern Ireland that is as reflective of our society as can be achieved consistent with the requirement of appointment on merit.

In order to do so we will:

- a) Promote and stimulate interest in judicial service and take measures to ensure that career opportunities are understood and appeal to a broad spectrum of eligible candidates;
- b) Encourage applications for a judicial career from candidates from a wide range of backgrounds;
- c) Promote diversity through fair and open processes for selection to judicial office, solely on merit, and consider and address potential adverse impact issues in advance of schemes;
- d) Evaluate each appointment scheme and make improvements, where appropriate, to increase the diversity of the applicant pool;
- e) Conduct a programme of consultation with interested parties and analyse their responses to inform the programme of action;
- f) Conduct appropriate and timely research to inform and support the programme of action;
- g) Identify factors that may discourage applications and seek to eliminate them; and
- h) Publish in the annual report anonymised information about the diversity of those recommended by the Commission as suitable for appointment.

The Commission takes forward its diversity agenda through the Diversity Committee which makes recommendations to plenary Commission.

The Commission continues to work to create a diverse judiciary to ensure that those who make judicial decisions are reflective of society. The Commission seeks to increase the diversity of the pool of potential candidates and to remove any barriers to individuals and members of particular groups applying for appointment.

The Commission has decided to consider the issue of diversity in the judiciary on the basis of empirical evidence rather than simple anecdotal evidence or perceptions. The Diversity Committee considered the Commission's corporate objectives in September 2006 and confirmed the following three key priorities to obtain more and better information to develop its wider strategy for a programme of action.

#### **Equity monitoring of existing judicial office holders**

An equity monitoring exercise was undertaken by the Commission commencing in January 2006 to

compile diversity information about serving judicial office holders. The survey included those judicial offices which were added to Schedule 1 of the Justice (NI) Act 2002 by the Constitutional Reform Act as well as those who have been appointed from recent schemes administered by the Commission. The first findings of this survey have been provided to the Commission for consideration. The Northern Ireland Statistics and Research Agency (NISRA) has been engaged to produce an analysis and a final report for consideration by the Commission.

### **Research and Analysis**

Following approval by the plenary Commission, the Committee commenced a research project in the form of a survey to examine historical patterns of female appointments to judicial office in Northern Ireland and to investigate any possible disincentives to women applying for appointment. The focus of the Commission's initial research project is to examine the current gender profile of serving judicial office holders and to seek to identify strategies which would address any potential disincentives and would be likely to address any identified issues of gender imbalance.

The main components of the research are a survey by questionnaire of judicial office holders and those eligible for judicial appointment followed by interviews with current judicial office holders and lawyers qualified for appointment. Addressing the

research in this way will elicit biographical and career information that shall be considered with any identified gender imbalance to any judicial tier.

The survey by way of questionnaire issued in April 2007. The results will be published.

Information is gathered from existing research, websites and articles and is maintained in a library for use as and when necessary by the Committee. This important work involving the sharing of information, cross referencing and drawing on research undertaken in other jurisdictions, will continue to inform the Committee's planning.

### **Outreach and Engagement with Interested Parties**

The Commission continues to meet with both branches of the legal profession, through the Law Society of Northern Ireland and the Bar Council, in respect of the Commission's strategies and objectives on diversity. This included seeking diversity information from members of each body and providing information and seeking support on, the research project being undertaken by the Commission. The Commission also commenced discussions about making a presentation from the Commission to the members of each body covering our appointments policies and procedures.

Both bodies provided initial information about the diversity makeup of respective memberships to assist the Committee with the development of the

baseline information needed to inform programmes of action. They have been asked to consider providing further information. It is anticipated that the Commission will have further discussions with each body during the next reporting period.

Both bodies were consulted about the questionnaire for use in the research project and provided helpful feedback and comments for incorporation in the final document used in the survey. Further discussions will occur about the next phase of the project which will involve fieldwork via focus groups and interviews in the autumn/next reporting period.

Work on presentations to both branches of the legal profession, members of the judiciary, the Institute of Professional Legal Studies and the Judicial Studies Board to inform potential candidates about the appointments process was commenced. The proposal has been welcomed and it is anticipated that the presentations will be delivered in the autumn of 2007.

### **Flexible Working Arrangements**

During the reporting period, consultation was initiated with Departments responsible for the terms, conditions and working patterns of judicial office holders and about flexible working arrangements. Preliminary evaluation work at the conclusion of appointment schemes has identified the lack of maximum potential for flexible

working arrangements and in particular part-time working as a possible incentive to diversity in terms of the decision whether or not to apply for a judicial appointment. The Commission had identified that consideration needed to be given to this issue to encourage a wider range of persons to consider making an application and thus increase the diversity of the applicant pool. While the Commission appreciates that such arrangements would not be possible or desirable in every instance, it is seeking the assistance of Departments in increasing the diversity of the applicant pool by inviting them to consider, on a vacancy by vacancy basis, the viability of filling vacancies for judicial office on a flexible working basis.

A number of responses were received from Departments which will assist the Commission with its further consideration of the issue.

### **Appointment Schemes Programmes of Action**

The Diversity Committee in developing a programme of action for each scheme seeks to broaden the pool of potential applicants to ensure that a judicial career is open to as wide a range of people as possible.

The Committee has considered individual programmes of action for 10 recruitment schemes in the reporting period. The programmes included the advertising of judicial offices in the

three main local newspapers, the Law Society in-house magazine (The Writ), the Bar and the Commission website and other websites where appropriate, and in other relevant journals and through other professional bodies.

When each scheme is due to commence, sponsor departments are also invited to advise those judicial office holders for whom they are responsible about the dates of advertisement and the availability of information packs from the Commission.

### **Evaluation**

The Commission is committed to keeping its processes under review and modifying them where necessary. In this context, to learn from the experience of applicants, the programme of action for each appointment scheme included evaluation of the diversity information as a key element.

Equity monitoring information has been collated for each of the recruitment schemes conducted this year. The information obtained will assist with the consideration of trends when future schemes are planned and will inform the Commission about the effectiveness of its programme of action.

The information is collected anonymously and is used to assist the Commission in complying with its statutory requirement to include information in its Annual Report about applicants and those

recommended for appointment, subject to the requirement that no person is identified or information is included that allows identification of an individual to occur.

The information is used to consider progress against the statutory requirement 'to secure a range of persons reflective of the community is available for consideration' whenever the Commission is required to make a recommendation for appointment.

The Committee recognises that assessing and monitoring the potential and actual pools of applicants are central to its main work and that equity monitoring and evaluation will provide helpful information to assist more detailed work in widening the pool of applicants for future recruitment schemes for judicial appointment.

Evaluation of respondents' information about advertising led to a consideration of the Commission's advertising arrangements. Following recommendations, it was agreed that the current arrangements should continue but be kept under review.

Appendix 1 of this report contains information about persons who have applied to be and those persons who have been selected to be appointed and recommended for appointment by the Commission during the reporting year.

During the year the Commission took forward a

number of initiatives. In particular it commenced significant discussions with interested parties including the Law Society of Northern Ireland and the Bar Council to promote and stimulate interest in judicial appointment, encourage applications for a judicial career from candidates from a wide range of backgrounds and take views in terms of individual programmes of action in respect of actions such as appropriate advertising methods to reach the widest possible applicant pool. In addition, the Commission began work to develop a research project to inform and support the medium to long term programmes of action. It is anticipated that the evidence gathered will enable medium to longer term targeted programmes of action to be developed to address any identified under represented groups in the judiciary. In order to assess whether, and to what extent, there is under representation among any group within the judiciary, research was undertaken into establishing the diversity makeup of the serving judiciary at all tiers.



### CHAPTER 3

## Planning Our Business

### Corporate Objective - Accountability

- To make effective and efficient use of our resources in order to achieve objectives.

During the period the Commission operated within a strict financial budgeting regime which enabled it to meet its identified objectives well within budget. Internal Audit Services carried out an independent audit of the Commission's financial processes and found that an adequate level of assurance was provided. In addition, work was undertaken to identify the staff numbers and skills required to enable the Commission to deliver on the objectives set out in the Corporate Plan and preliminary decisions were reached within the reporting year.

### Staffing

The Commission was provided, by the Court Service, with funding for a staff complement of 17 (staff complement was increased to deal with the additional schemes that the Commission was required to run). In order to take forward its work as effectively and efficiently as possible, the Business Committee and plenary meetings approved priorities on an ongoing basis to enable the Commission to meet the requirements placed upon it. Staff at Deputy Principal and below on

secondment have been invited to remain on secondment on an ongoing basis subject to annual renewal and the Commission is pleased to say that the majority have agreed to remain on this basis. Direct recruitment of a senior management team has been commenced during the reporting year, and new appointees are likely to start work in autumn 2007.

### Corporate Plan

The Commission published its first three year Corporate Plan. The Plan sets out the aims and objectives of the Commission for the period 2006-2009.

### Freedom of Information Publication Scheme

The Commission successfully applied to the Office of the Information Commissioner to have its first Publication Scheme approved. The Scheme and the classes of information available are on the Commission's website.

## CHAPTER 4

### Communications and Contacts

#### Corporate Objective – Interested Parties

- To communicate helpful information, advice and guidance to targeted audiences to stimulate interest and raise awareness; encourage applications from under-represented groups; improve understanding of the application process and what judicial office entails; demonstrate openness and transparency and that appointments are made solely on the basis of merit.

Development of the Communications Strategy was deferred pending the recruitment of a communications expert and until the Commission had settled appointments policies and procedures for consultation and agreed key messages. In year however the Commission engaged with the legal profession, other stakeholder groups such as the Judicial Appointments Board for Scotland and the Judicial Appointments Commission for England and Wales and gave consideration to the list of interested parties with whom the Commission will wish to engage on matters of strategic importance.

#### Website

The Commission has continued to develop its

website. The site now also includes:

- the Business Plan;
- the Corporate Plan for the three year period 2006-2009;
- the Freedom of Information Publication Scheme;
- a programme of appointments;
- minutes of plenary meetings;
- recent appointments made by the Commission; and
- consultation documents.

A further review of the website is being undertaken by the senior team and a new look website is to be introduced.

#### Northern Ireland Judicial Appointments Ombudsman

The Northern Ireland Judicial Appointments Ombudsman was appointed on 25 September 2006. Mr Karamjit Singh CBE and the Head of his office met with the Chief Executive and Commission members.

#### Visits to the Commission

Members of the Judicial Appointments Board for Scotland and the Judicial Appointments Commission for England and Wales met with the Chief Executive and senior staff of the

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Commission to exchange information on the practices and procedures used in the respective jurisdictions. The Chief Executive, Her Honour Judge Loughran and Mrs Ruth Laird attended a tripartite seminar organised by the Scottish Board in Edinburgh on 12 March 2007.

Oliver Heald MP Shadow Secretary of State for Constitutional Affairs visited the Commission on 8 December 2006 and met with the Chief Executive who outlined the membership, purpose and objectives of the Commission.

### **Annual Meeting**

The Commission in accordance with its management statement held its first Annual Meeting on 30 November. The Chairman of the Audit and Risk Management Committee gave a full report to the Commission on the assurances for the year through the risk management process and the audit plan on:

- The work of the Committee during 2005-2006;
- The Audit Plan for 2005-2006;
- Advice and assistance received during 2005-2006;
- Risk Management Policy and practice;
- The content of the Annual Report and Accounts; and
- The Statement of Internal Control.

The Chairman assured the Committee that the accounts had been prepared in accordance with the Government Financial Reporting Manual.

### **Logo and Corporate Identity**

A corporate logo and design guidelines were implemented for use on all Commission stationery and corporate publications. The first document using the new logo was the Corporate Plan which was published and circulated to interested parties in March 2007.

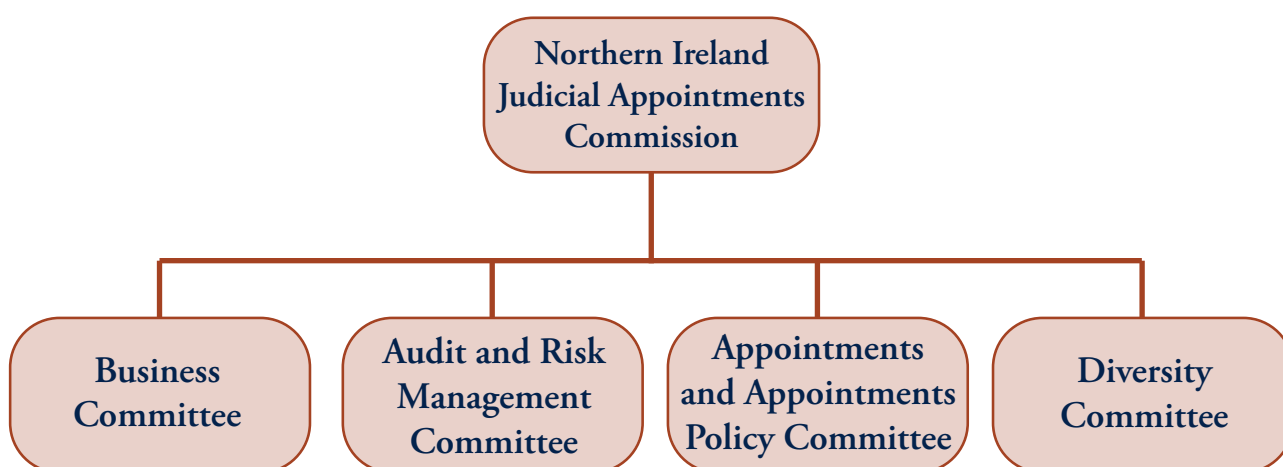
### **Liaison meetings**

The Commission has established a programme of regular meetings with the sponsor department. Key business issues are addressed in that forum.

## CHAPTER 5

### Internal Working Arrangements

The Committee structure is as follows:



#### Meetings of the Commission

The plenary session of the Commission normally meets every two months, although exceptional meetings are convened as required. The Chairman of the Commission and the Chief Executive determine the programme of meetings and business each year both for the plenary Commission and its Committees. Approved minutes of Commission meetings are published on the Commission's website.

#### Membership of Committees

Membership of the standing Committees for the year 2006/07 is as follows:

#### Audit and Risk Management Committee; *Membership*

Dr Raymond Mullan (Chairman) OBE, Lay Member  
Dame Joan Harbison CBE DBE, Lay Member  
Her Honour Judge Loughran, County Court Judge  
Professor John Morison, Lay Member  
The Honourable Mr Justice Weatherup, High Court Judge

#### Appointments and Appointments Policy Committee; *Membership*

The Honourable Mr Justice Weatherup (Chairman), High Court Judge  
Mrs Sinéad Burns, Lay Member  
Mr Peter Cush, Barrister at Law

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Mr John G Gordon, Solicitor  
Dame Joan Harbison CBE DBE, Lay Member  
Dr Raymond Mullan OBE, Lay Member

### **Diversity Committee;** *Membership*

Mrs Ruth Laird (Chairman), Lay Member  
Mrs Fiona Bagnall, Presiding Resident Magistrate  
The Right Honourable Lord Justice Campbell,  
Lord Justice of Appeal  
Mr Peter Cush, Barrister at Law  
Mr John G Gordon, Solicitor  
Her Honour Judge Loughran, County Court Judge  
Professor John Morison, Lay Member  
Mr Harry McConnell OBE, Lay Member

### **Business Committee;** *Membership*

The Right Honourable Sir Brian Kerr (Chairman),  
the Lord Chief Justice of Northern Ireland  
Mrs Fiona Bagnall, Presiding Resident Magistrate  
Mrs Sinéad Burns, Lay Member  
Mr John G Gordon, Solicitor  
Mrs Ruth Laird, Lay Member  
Mr Harry McConnell OBE, Lay Member.

### **The Audit and Risk Management Committee**

The Commission has an Audit and Risk  
Management Committee (ARMC) to support it  
in its responsibilities for issues of risk, control and

governance and associated assurance. The  
Committee has five members. It meets three times  
per year.

Additional meetings may be convened to discuss  
particular issues at the request of

- the Accounting Officer, the Chairman of the  
Audit and Risk Management Committee
- or the Chairman and a member of the Audit  
and Risk Management Committee.

The meetings are normally attended by a  
representative from Internal Audit Services and  
members of External Audit are invited to attend.  
The Committee may also ask any  
other officials of the organisation to attend to  
assist it with its discussions in any  
particular matter.

The Audit and Risk Management Committee is  
an advisory body with no executive powers.  
However, it is authorised by the Commission 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  
Accounting Officer, to whom the Head of  
Internal Audit reports.

The Audit and Risk Management Committee is authorised to obtain independent professional advice if it considers it necessary.

## Remit

The Audit and Risk Management Committee will advise the Commission on:

- The strategic process for risk (monitored through our risk register), control and governance and the Statement of Internal Control:
- The accounting policies, the accounts, the process of reviewing 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 the External and Internal Audit:
- Adequacy of management response to issues identified by audit activity, including External Audit’s letter to those charged with governance:
- Assurances relating to the corporate governance requirements of the organisation:

- Where appropriate proposals for tendering Internal Audit services or for purchase of non-audit services from contractors who provide audit services:
- Assurances relating to the conduct of business in accordance with the Financial Memorandum and Management Statement: and
- Assurances relating to the Register of Interest for the Commission members, the Gifts and Hospitality Register, the Code of Practice for Members, the Code of Conduct for Staff, the Freedom of Information Scheme and Data Protection obligations of the Commission, the communication protocol for the Commission and its Committees.

## Restructure of Committees

The Commission commenced a review of its Committee structure, membership and Chairmanship in advance of the March plenary meeting. This resulted in approval of a new Committee structure, membership and Chairmanship. The revised Committee structure will reduce the number of Committees from four



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to three and the programme of business for the Commission is to be similarly realigned to fall within the new Committee structure. It is also intended to delegate decision-making to the appropriate Committee and to staff. A scheme of delegation is being developed in order to formalise these new arrangements. The new Committees will take effect from September 2007 and will be as follows:

- Policy Committee;
- Business Committee; and
- Audit and Risk Management Committee.

## APPENDIX 1

### 1. Appointments; 2. Reappointments; 3. Applicant pools

#### *1. Appointments during the Period 2006 - 2007*

During the reporting period the Commission made 151 recommendations for appointment (Courts 5; Tribunals 146) to the Lord Chancellor – 2 High Court Judges; 1 Master ( High Court); 1 Master (High Court)(EJO and Taxing Office); 1 Presiding Coroner; 1 Deputy Social Security Commissioner; 4 Full Time Chairmen, Industrial Tribunal/Fair Employment Tribunal; 2 Legal Members & 2 Medical Members, Pensions Appeal Tribunals; 3 Medical Members, Mental Health Review Tribunal; 1 President, 23 Legal Members, 9 Valuation Members and 99 Ordinary Members Northern Ireland Valuation Tribunal; 2 Chairmen VAT & Duties Tribunal.

Gender	Male	Female	Total
	88	63	151
%	58%	42%	100%

Community Background	Protestant	Roman Catholic	Neither
	87	55	9
%	58%	36%	6%

Age	31-35	35-40	41-45	46-50	51-55	56-60	60+
	10	27	18	25	25	15	31
%	6.6%	17.9%	11.9%	16.6%	16.6%	9.9%	20.5%

Race	White	Other
	151	
%	100%	

Disability	None	Speech	Mobility	Other	Total
	147	1	1	2	151
%	97.3%	0.7%	0.7%	1.3%	100%

Personal Geographic Location			Business Geographic Location		
Belfast	46	30.4%	Belfast	67	44.4%
Co Antrim	24	15.9%	Co Antrim	18	11.9%
Co Armagh	14	9.3%	Co Armagh	9	6.0%
Co Derry	14	9.3%	Co Derry	11	7.3%
Co Down	27	17.9%	Co Down	14	9.3%
Co Fermanagh	8	5.3%	Co Fermanagh	5	3.3%
Co Tyrone	15	9.9%	Co Tyrone	12	7.9%
			Province wide	12	7.9%
Not Indicated	3	2.0%	Not Indicated	3	2.00



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### **2. Reappointments during the Period 2006/2007**

During the reporting period the Commission made 31 recommendations for reappointment (Courts 2; Tribunals 29) to the Lord Chancellor – 2 Deputy Resident Magistrates; 1 fee paid Legal Chairman, Industrial Tribunal; 2 fee paid Medical Members, Mental Health Review Tribunal: 1 fee paid Legal Chairman, Reserve Forces Reinstatement Committee; 4 fee paid Financial Members, 1 fee paid Medical Consultant Members, 8 fee paid Medical Generalist Members, 11 fee paid Legal Members, Appeals Tribunal; 1 President Lands Tribunal.

Gender	Male	Female	Total
	20	11	31
%	65%	35%	100%

Community Background	Protestant	Roman Catholic	Neither
	12	17	2
%	39%	55%	6%

Age	31-35	35-40	41-45	46-50	51-55	56-60	60+
	0	0	6	10	3	5	7
%	0%	0%	19.3%	32.3%	9.7%	16.1%	22.6%

Race	White	Other
	30	1
%	97%	3%

Disability	None	Speech	Mobility	Other	Total
	31	0	0	0	31
%	100%	0%	0%	0%	100%

Personal Geographic Location			Business Geographic Location		
Belfast	14	45.2%	Belfast	18	58.0%
Co Antrim	3	9.7%	Co Antrim	3	9.7%
Co Armagh	1	3.2%	Co Armagh	1	3.2%
Co Derry	3	9.7%	Co Derry	3	9.7%
Co Down	5	16.1%	Co Down	2	6.5%
Co Fermanagh	1	3.2%	Co Fermanagh	0	0%
Co Tyrone	3	9.7%	Co Tyrone	2	6.5%
			Province wide	1	3.2%
Not Indicated	1	3.2%	Not Indicated	1	3.2%

### 3. Applicant pools during the Period 2006/2007

#### *Applicant pools 2006/2007 Courts*

During the reporting period the Commission received 42 applications for the following schemes: 2 High Court Judges (8 applications received); 1 Master, High Court (19 applications received); 1 Master, EJO and Taxing Office (15 applications received).

Gender	Male	Female	Total
	30	12	42
%	71%	29%	100%

Community Background	Protestant	Roman Catholic	Neither
	23	16	3
%	55%	38%	7%

Age	Under 35	35-40	41-45	46-50	51-55	56-60	60+
	0	5	8	17	7	5	0
%	0%	12%	19%	40%	17%	12%	0%

Race	White	Other
	42	0
%	100%	0%

Disability	None	Speech	Mobility	Physical	Other	Total
	40	1	1	0	0	42
%	96%	2%	2%	0%	0%	100%

Personal Geographic Location		Business Geographic Location			
Belfast	18	43%	Belfast	31	74%
Co Antrim	6	14%	Co Antrim	3	7%
Co Armagh	0	0%	Co Armagh	0	0%
Co Derry	1	2%	Co Derry	2	5%
Co Down	15	36%	Co Down	0	0%
Co Fermanagh	2	5%	Co Fermanagh	1	2%
Co Tyrone	0	0%	Co Tyrone	0	0%
			Province wide	4	10%
			Not Indicated	1	2%

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### ***Applicant pools 2006/2007 Tribunals***

During the reporting period the Commission received 203 applications for the following schemes: 4 Full Time Chairmen, Industrial Tribunal/Fair Employment Tribunal (29 applications received); 2 Legal Members (15 applications received), 2 Medical Members (10 applications received), Pensions Appeal Tribunals; 3 Medical Members (4 applications received), Mental Health Review Tribunal; 1 President, 23 Legal Members (32 applications received), 9 Valuation Members (10 applications received), and 99 Ordinary Members (103 applications received), Northern Ireland Valuation Tribunal.

Gender	Male	Female	Total
	116	87	203
%	57%	43%	100%

Community Background	Protestant	Roman Catholic	Neither
	110	80	13
%	54%	39%	7%

Age	Under 35	35-40	41-45	46-50	51-55	56-60	60+
	13	32	26	44	39	18	31
%	6%	16%	13%	21%	20%	9%	16%

Race	White	Other
	203	0
%	100%	0%

Disability	None	Speech	Mobility	Physical	Other	Total
	198	0	1	2	2	203
%	97.5%	0%	0.5%	1%	1%	100%

Personal Geographic Location		Business Geographic Location			
Belfast	77	38%	Belfast	106	53%
Co Antrim	31	15%	Co Antrim	20	10%
Co Armagh	16	8%	Co Armagh	9	4%
Co Derry	15	7%	Co Derry	14	7%
Co Down	35	17%	Co Down	19	9%
Co Fermanagh	11	6%	Co Fermanagh	6	3%
Co Tyrone	18	9%	Co Tyrone	16	8%
			Province wide	13	6%
			Not Indicated	0	0%

### *Applicant pools 2006/2007 Combined*

During the reporting period the Commission received 245 applications for the following schemes– 2 High Court Judges (8 applications received); 1 Master, High Court (19 applications received); 1 Master, EJO and Taxing Office (15 applications received); 4 Full Time Chairmen, Industrial Tribunal/Fair Employment Tribunal (29 applications received); 2 Legal Members (15 applications received), 2 Medical Members (10 applications received), Pensions Appeal Tribunals; 3 Medical Members (4 applications received), Mental Health Review Tribunal; 1 President, 23 Legal Members (32 applications received), 9 Valuation Members (10 applications received), and 99 Ordinary Members (103 applications received), Northern Ireland Valuation Tribunal.

Gender	Male	Female	Total
	146	99	245
%	60%	40%	100%

Community Background	Protestant	Roman Catholic	Neither
	133	96	16
%	54%	39%	7%

Age	Under 35	35-40	41-45	46-50	51-55	56-60	60+
	13	37	34	61	46	23	31
%	5%	15%	14%	25%	19%	9%	13%

Race	White	Other
	245	0
%	100%	0%

Disability	None	Speech	Mobility	Physical	Other	Total
	238	1	1	3	2	245
%	97.2%	0.4%	0.4%	1.2%	0.8%	100%

Personal Geographic Location		Business Geographic Location			
Belfast	95	39%	Belfast	137	56%
Co Antrim	37	15%	Co Antrim	23	9%
Co Armagh	16	7%	Co Armagh	9	4%
Co Derry	16	7%	Co Derry	16	6%
Co Down	50	20%	Co Down	19	8%
Co Fermanagh	13	5%	Co Fermanagh	7	3%
Co Tyrone	18	7%	Co Tyrone	16	6%
			Province wide	17	7%
			None	1	1%

## APPENDIX 2

### Achievement of Corporate Objectives through Business Planning

The Commission monitors achievement of corporate objectives through its annual business plan and monitoring reports to the Business Committee and plenary Commission. In order to do so the Commission has decided that objectives should reflect activity against business results, interested parties and internal requirements.

The following sets out the achievement of objectives in the context of the current model. Further work is underway to simplify, assimilate and align reporting arrangements.

#### The Objectives in the 2006-2007 Business Plan

The three perspectives of business results, interested parties and internal issues are set out below with a statement of progress at year end against each.

#### Business Results

1. To make recommendations to the Lord Chancellor for appointments to listed judicial offices in accordance with Appendix B. *Achieved Corporate objective 1(b)*
2. To make recommendations to the Lord Chancellor for re-appointments to listed judicial offices in accordance with Appendix C. *Achieved Corporate objective 1 (b)*
3. By 31 March 2007 to publish a Code of Practice and a Commission Policies and Procedures Manual following a comprehensive review of the appointments policies and procedures for consultation with interested parties. Ongoing. Reprofiled due to additional appointment schemes required – revised targets agreed. *Corporate objective 1 (b)*
4. Develop and agree a programme of action to facilitate each of the appointments and re-appointments, and to deliver the programme over the period. *Achieved Corporate Objective 2 (a) and (b)*
5. By 31 March 2007 to have prepared material for inclusion in the Commission's 2006/2007 Annual Report. *Achieved Corporate Objective 2 (h)*
6. To complete the equity monitoring of the existing judiciary and carry out equity monitoring of applicants for schemes. *Achieved Corporate objective 2 (d) and (f)*
7. To develop and implement a research programme relating to the judiciary, specifically relating to gender issues. *Achieved Corporate Objective 2 (f)*

## Interested Parties

8. By 31 October 2006 the Commission shall have consulted upon its Corporate Plan for publication by 31 January 2007. *Achieved Corporate Objective 3 (d)*
9. To have available for publication its 2005/06 Annual Report within 2 months of audit by National Audit Office. *Achieved Corporate objective 3 (c)*
10. To have in place a publication scheme within 1 month of approval by the Information Commissioner's Office. *Achieved Corporate objective 3 (d)*
11. By December 2006 to have in place effective SLAs with the sponsor departments. Achieved. Final versions deferred 07/08 pending audit review. *Corporate Objective 3 (a)*

To implement an effective communication strategy by 31 March 2007. Deferred on 30 November 06 to 07/08 year. *Corporate Objective 4(a)*

## Internal

13. By 31 March 2007 to secure from the NICtS the required level of resources to deliver the Commissions 2007/08 objectives. *Not achieved Corporate Objective 3 (b)*

14. To maintain internal financial and stewardship controls within the Commission, which meet central government guidelines. *Achieved Corporate Objective 3 (d)*
15. To appoint a Chief Executive to the Commission within the agreed timetable. *Achieved Corporate Objective 3(b)*
16. To demonstrate strong corporate governance at all times. *Achieved Corporate objective 3(d)*
17. To implement a scheme of delegation by 28 February 2007. Deferred on 30 November 06 to 07/08 year. *Corporate objective 3 (b)(d)*
18. To benchmark the Commission's corporate services as per the Internal Audit Service Audit Plan to ensure value for money. Deferred to 07/08 year. *Corporate objective 3(a)*
19. To ensure that staff are equipped to support the Commission by reviewing staffing resources and turnover. *Achieved Corporate objective 3(b)*

**74% of targets were achieved**

**21% were reprofiled**

**5% of targets were not achieved\***

\*The target not achieved was in relation to agreeing the budget for the incoming year. Discussions are ongoing with the sponsor department to reach resolution on this matter.

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# REMUNERATION REPORT

## Service Contracts

All staff are currently seconded from the Court Service.

Commission members have been appointed by the Lord Chancellor in accordance with the Code of Practice and procedures agreed with the Office of the Commissioner for Public Appointments ([www.ocpa.gov.uk](http://www.ocpa.gov.uk)). All Commission members have been appointed for an initial 3 year period, commencing on 15 June 2005.

## Remuneration Policy

The remuneration of the Commission members has been determined by the Lord Chancellor. Judicial members, with the exception of the Lay Magistrate, do not receive a fee. Other members, including the Lay Magistrate, receive a daily rate of £294. A half-day fee of £147 is payable for 4 hours or less. With the agreement of the sponsor department, the Court Service, the Commission has developed a Fees Policy which, in addition to the above rates, permits payment of an hourly rate of £36.75 pro rata for specific work undertaken by Commission members that does not involve attendance at stated meetings. Commission members are reimbursed for incidental expenses incurred in the course of Commission business.

Commission members have no entitlement to bonuses or performance related payments.

## Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Commission members and the most senior official of the Commission (the Chief Executive).

### Remuneration (audited)

#### Chief Executive

The Chief Executive, Alan Hunter, was seconded to the Commission from the Court Service. The total amount payable to the Court Service in respect of the services of the Chief Executive for the year ended 31 March 2007 amounted to £102,833.

No pension contributions are made by the Commission in respect of the Chief Executive.

#### Salary

‘Salary’ includes gross salary; performance pay or bonuses; 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.



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## **Benefits in Kind**

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

## **Pension Benefits (audited)**

No pension contributions are made by the Commission in respect of the Commission members.



Accounting Officer  
13<sup>th</sup> December 2007

## Commission Members

The remuneration payable to the Commission members was as follows:

	2006-07 Salary £000	Benefits in Kind (nearest £100)	2005-06 Salary £000	Benefits in Kind (nearest £100)
The Right Honourable Sir Brian Kerr (Chair)	-	-	-	-
Fiona Bagnall	-	-	-	-
Sinéad Burns	5-10	-	5-10	-
The Right Honourable Lord Justice Campbell	-	-	-	-
Peter Cush	0-5	-	0-5	-
John Gordon	5-10	-	0-5	-
Dame Joan Harbison	5-10	-	0-5	-
Ruth Laird	20-25	-	15-20	-
Her Honour Judge Loughran	-	-	-	-
Harry McConnell	5-10	-	10-15	-
Professor John Morison	5-10	-	5-10	-
Dr Raymond Mullan	10-15	-	5-10	-
The Honourable Mr Justice Weatherup	-	-	-	-

### **Statement on Internal Control 2006/07**

#### **Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money and the NDPB Accounting Officer Memorandum. The Commission is financed by grant-in-aid by the Court Service, and the Accounting Officer's responsibilities in respect of the Commission are defined in the NDPB Accounting Officer Memorandum.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The Commission was established on 15 June 2005 and a significant programme was developed and undertaken to ensure a robust governance, risk management and internal control framework was implemented. The system of internal control has been in place and embedded in the Commission for the year ended 31 March 2007 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

#### **Capacity to handle risk**

Risk management constitutes a standing item on the management meeting agenda and senior managers are required to formally sign off Stewardship Statements for me on a quarterly basis; the corporate risk register is also reviewed and updated on a quarterly basis. The Audit & Risk Management Committee is comprised of five Commissioners who do not have an executive role in the management of the organisation. The terms of reference of the Committee are based on HM Treasury's Audit Committee Handbook and agreed by the full Committee. Internal audit services are provided by the Court Service's Internal Audit Service (IAS), which operates to the Government Internal Audit Standards, under the terms of an agreed service level agreement. Findings from the work of IAS, risks identified through the organisation's Risk Management System and feedback from our external auditors are considered by both the Audit and Risk

Management Committee and executive management to ensure that there is ongoing review and revision of the control framework of the organisation. Risk Management is also considered by me through the review of the Corporate Risk Register and Corporate Plan monitoring process. This includes regular review of attendant risks thus ensuring that risk management has been incorporated fully into the corporate planning and decision-making processes of the Commission.

### **The risk & control framework**

Risks are considered in tandem with objectives at all levels in the organisation and formally reported in the Corporate 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. Responsibility for the management of each risk is assigned and recorded, along with the controls in place to mitigate the risk, monitoring arrangements in place and any action taken or planned in order to enhance the level of control. Risks are formally reviewed on a quarterly basis and documentation updated. The updated risk registers record any movement in terms of impact and probability of occurrence. The Audit and Risk Management Committee is responsible for the maintenance and development of the risk management and review processes through, for example, ensuring compliance with the structured quarterly review points and formal stewardship reporting in order

to ensure continued alignment with planning and monitoring at corporate and operational level. In challenging risks identified by executive management the Committee ensures that there is ongoing consideration of the impact of both external and internal initiatives on the planned work of the Commission.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their report to those charged with governance following the audit of the accounts will also inform my ongoing review of the effectiveness of the system of internal control. The review processes outlined ensure that there is continuous improvement in the system of internal control.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The Audit and Risk Management Committee oversees the audit activity on behalf of the full Commission and updates the Commission on control, risk and governance issues following each meeting. At the end of the reporting period, stewardship statements completed by Business Managers provided assurance in respect of the management

of risk and the achievement of objectives at business unit level. IAS provides risk, control and governance advice and carries out a planned schedule of work, including the provision of an independent opinion by the Head of Internal Audit on the adequacy and effectiveness of the Commission's system of risk management, control and governance.

### **Statement of Accounting Officer's Responsibilities**

Under paragraph 7 of Schedule 2 to the Justice (Northern Ireland) Act 2002 as amended, the Northern Ireland Judicial Appointments Commission is required to prepare a statement of accounts in respect of each financial year in such a form as directed by the Lord Chancellor. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission at the year end and of the income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Lord Chancellor 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; and
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the Commission will continue in operation.

The Accounting Officer of the Northern Ireland Court Service has designated the Interim Chief Executive as the Accounting Officer for the Commission. The Interim Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping proper records, are set out in the Non-Departmental Public Bodies Accounting Officers' Memorandum issued by HM Treasury and published in *Government Accounting*.



**Accounting Officer**  
**13<sup>th</sup> December 2007**

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

I certify that I have audited the financial statements of the Northern Ireland Judicial Appointments Commission for the year ended 31 March 2007 under the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Northern Ireland Judicial Appointments Commission, the Accounting Officer and auditor**

The Northern Ireland Judicial Appointments Commission and the Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004 and directions made thereunder by the Lord Chancellor and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Northern Ireland Judicial Appointments Commission's Accounting Officer's Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004 and directions made thereunder by the Lord Chancellor. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Foreword, Goals & Values, the Management Commentary, the programme of business conducted by the Commission, the policies and procedures on appointments, the diversity programme of action, planning our business, communications and contacts, internal working arrangements, equity monitoring statistics, corporate objectives against business plan and the unaudited part of the remuneration report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

# ANNUAL REPORT and ACCOUNTS 2006 - 2007

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In addition, I report to you if the Northern Ireland Judicial Appointments Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

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

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and

regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Northern Ireland Judicial Appointments Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Northern Ireland Judicial Appointments Commission's circumstances, consistently applied and adequately disclosed.

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

### **Audit Opinion**

In my opinion:

- the financial statements give a true and fair

view, in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004 and directions made thereunder by the Lord Chancellor, of the state of the Northern Ireland Judicial Appointments Commission's affairs as at 31 March 2007 and of its net expenditure for the year then ended;

- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended by the Justice (Northern Ireland) Act 2004 and directions made thereunder by the Lord Chancellor; and
- information given within the Annual Report, which comprises the Goals & Values, Foreword, the Management Commentary, the programme of business conducted by the Commission, the policies and procedures on appointments, the diversity programme of action, planning our business, communications and contacts, internal working arrangements, equity monitoring statistics, corporate objectives against business plan and the unaudited part of the remuneration report, is consistent with the financial statements.

### **Audit Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the

purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Report**

I have no observations to make on these financial statements.

*John Bourn*  
National Audit Office  
Comptroller and Auditor General  
157-197 Buckingham Palace Road  
London SW1W 9SP

**Date: 16 January 2008**

The maintenance and integrity of the Judicial Appointments Commission's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.



**APPENDIX 3**

**NORTHERN IRELAND JUDICIAL  
APPOINTMENTS COMMISSION**

**ACCOUNTS  
2006-2007**

**FOR THE PERIOD ENDED 31 MARCH 2007**

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# ANNUAL REPORT and ACCOUNTS 2006 - 2007

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## INCOME AND EXPENDITURE ACCOUNT

for the period ended 31 March 2007

		<i>Year ended</i> <i>31/03/07</i> £	<i>15/06/05-</i> <i>31/03/06</i> <i>(restated)</i> £
<i>Income</i>	<i>Note</i> 2	129,289	-
<i>Expenditure</i>			
Staff costs	3	706,084	520,436
Depreciation	5	851	84
Release from Capital Grant Reserve	9	(851)	(84)
Other operating costs	4	772,089	487,952
Notional cost of capital	1.6	1,721	212
<i>Total expenditure</i>		<u>1,479,894</u>	<u>1,008,600</u>
<i>Net expenditure for period</i>		1,350,605	1,008,600
Credit in respect of notional charges		(1,721)	(212)
<i>Deficit transferred to reserves</i>		<u>1,348,884</u>	<u>1,008,388</u>

There were no other gains or losses recognised during the period.

\*The notes on pages 50-60 form part of the accounts

# BALANCE SHEET

as at 31 March 2007

		31 March 2007		31 March 2006 (restated)	
		£	£	£	£
	<i>Note</i>				
<i>Fixed assets:</i>					
Tangible assets	5		3,744		3,028
<i>Current assets:</i>					
Debtors	6		234,013		328,952
Cash at bank and in hand	7		-		-
			<u>234,013</u>		<u>328,952</u>
Creditors (amounts falling due within one year)	8		(147,080)		(324,342)
			<u>86,933</u>		<u>4,610</u>
<i>Net current assets</i>					
			<u>90,677</u>		<u>7,638</u>
<i>Total assets less current liabilities</i>					
			<u>90,677</u>		<u>7,638</u>
<i>Net assets</i>					
<i>Financed by:</i>					
<i>Capital and reserves</i>					
General Reserve	9		86,933		4,610
Other reserves	9		3,744		3,028
			<u>90,677</u>		<u>7,638</u>



Accounting Officer  
2007

\*The notes on pages 50-60 form part of the accounts

# ANNUAL REPORT and ACCOUNTS 2006 - 2007

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## CASH FLOW STATEMENT

for the period ended 31 March 2007

		<i>Year ended 31/03/07 £</i>	<i>15/06/05- 31/03/06 (restated) £</i>
	<i>Note</i>		
<i>Net cash inflow from operating activities</i>	10(a)	(1,431,207)	(1,012,998)
Capital expenditure and financial investment	10(b)	-	
Financing	10(c)	1,431,207	1,012,998
<i>Increase/(decrease) in cash in the period</i>		<u>-</u>	<u>-</u>

\*The notes on pages 50-60 form part of the accounts

# NOTES TO THE FINANCIAL STATEMENTS

## 1.0 Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2006–2007 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The Commission's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets.

### 1.2 Tangible Fixed Assets

Assets costing more than the prescribed capitalisation level of £500 are treated as capital assets. For furniture and fittings the individual assets are recorded on a pooled basis.

Where revaluations have a material effect, assets are stated at their value to the business by reference to Office of National Statistics (ONS) indices. The indices for fixed assets are obtained from ONS MM17 Price Index Numbers for Current Cost Accounting.

### 1.3 Depreciation

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use. A further adjustment would be made in respect of backlog depreciation if assets were revalued arising from the Treasury requirement to value fixed assets by reference to current costs.

Useful lives are normally in the following ranges:

Furniture and Fittings	10 years
Information Technology	3 years

Additions to fixed assets will be depreciated from the month of acquisition where material.

Disposals from fixed assets will not be depreciated in the month of disposal.

### 1.4 Stocks

Stocks of consumable stores held by the Commission are not considered material and are written off in the operating cost statement as they are purchased.

### **1.5 Income**

Income consists of amounts charged to external bodies for the provision of certain recruitment schemes. Grant in aid funding received from the Northern Ireland Court Service is treated as a movement on reserves.

### **1.6 Notional Cost of Capital**

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Commission. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average capital employed by the Commission during the period defined as the total assets less current liabilities.

### **1.7 Operating Leases**

Rentals under operating leases are charged to the operating cost statement on a straight line basis over the lease term.

### **1.8 Pensions**

The Commission does not make any pension contributions in respect of employees or the Commission members.

### **1.9 Value Added Tax (VAT)**

The Commission is ineligible to reclaim input VAT on expenditure. Therefore, all expenditure is inclusive of VAT.

### **1.10 Provisions**

The Commission provides for legal or constructive obligations, which are of uncertain timing or amount at the balance sheet date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 2.2%).

### **1.11 Post Balance Sheet Events**

There were no material post balance sheet events for the year ended 31 March 2007.

### **1.12 Contingent Liabilities**

Where the time value of money is material, contingent liabilities, which are required to be disclosed under FRS 12, are stated at discounted amounts.

### **1.13 Changes to Estimation Techniques**

There were no material changes in estimating techniques introduced during the financial year.

## 2. Income

	<i>Year ended</i> <i>31/03/07</i> £	<i>15/06/05- 31/03/06</i> <i>(restated)</i> £
Miscellaneous income	129,289	-
<b><i>Total income</i></b>	<b><u>129,289</u></b>	<b><u>-</u></b>

## 3. Staff Numbers and Related Costs

Staff costs comprise:

	<i>Year ended</i> <i>31/03/07</i> <i>Total</i> £	<i>Permanently</i> <i>employed</i> <i>staff</i> £	<i>Commission</i> <i>members</i> £	<i>15/06/05- 31/03/06</i> <i>Total</i> £
Wages and salaries	68,871	-	68,871	56,667
Social security costs	7,474	-	7,474	3,171
Other pension costs	-	-	-	-
<b><i>Sub Total</i></b>	<b><u>76,345</u></b>	<b><u>-</u></b>	<b><u>76,345</u></b>	<b><u>59,838</u></b>
Inward secondments	629,739	629,739	-	460,598
<b><i>Total costs</i></b>	<b><u>706,084</u></b>	<b><u>629,739</u></b>	<b><u>76,345</u></b>	<b><u>520,436</u></b>

No pension contributions were made by the Commission in respect of employees or Commission members during the year ended 31 March 2007 (period ended 31 March 2006 – nil).



# ANNUAL REPORT and ACCOUNTS 2006 - 2007

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### Average number of persons employed

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

	<i>Year ended 31/03/07 Number</i>	<i>15/06/05- 31/03/06 Number</i>
Chief Executive	1	1
Secretariat and Support Team	4	3
Appointment and Policy Team	8	8
Diversity Team	4	4
<i>Total</i>	<i>17</i>	<i>16</i>

### 4. Other Operating Costs

	<i>Year ended 31/03/07 £</i>	<i>15/06/05- 31/03/06 £</i>
Accommodation costs	144,390	100,509
Heat and light	19,586	13,152
Maintenance	23,039	12,177
Printing and stationery	16,676	5,327
IT services	127,131	83,291
Consultancy services	20,944	3,000
Services provided by NI Court Service	226,124	190,693
Other services	44,236	36,678
Recruitment scheme costs	86,325	8,226
Auditors' remuneration	10,400	13,000
Other costs	53,238	21,899
<i>Total</i>	<i>772,089</i>	<i>487,952</i>

## 5. Tangible Fixed Assets

	<i>Furniture and Fittings</i> £	<i>Information Technology</i> £	<i>Total</i> £
<i>Cost or valuation</i>			
At 1 April 2006	2,291	821	3,112
Additions	-	1,567	1,567
Donations	-	-	-
Disposals	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
<i>At 31 March 2007</i>	<i>2,291</i>	<i>2,388</i>	<i>4,679</i>
<i>Depreciation</i>			
At 1 April 2006	38	46	84
Charged in year	229	622	851
Disposals	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
<i>At 31 March 2007</i>	<i>267</i>	<i>668</i>	<i>935</i>
<i>Net book value at 31 March 2007</i>	<i>2,024</i>	<i>1,720</i>	<i>3,744</i>
<i>Net book value at 31 March 2006</i>	<i>2,253</i>	<i>775</i>	<i>3,028</i>
<i>Asset financing:</i>			
Owned	2,024	1,720	3,744
Finance Leased	-	-	-
<i>Net book value at 31 March 2007</i>	<i>2,024</i>	<i>1,720</i>	<i>3,744</i>

The fixed assets were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

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## 6 Debtors

### 6(a) Analysis by type

	<i>31/03/07</i>	<i>31/03/06</i>
	£	£
<i>Amounts falling due within one year:</i>		
Amount due from NI Court Service	154,214	321,184
Prepayments and accrued income	8,673	7,364
Other debtors	71,126	404
	<u>234,013</u>	<u>328,952</u>

There are no debtor amounts falling due after more than one year.

### 6(b) Intra-Government Balances

	<i>Amounts falling due within one year</i>	
	<i>31/03/07</i>	<i>31/03/06</i>
	£	£
Balances with other central government bodies	225,340	321,184
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Subtotal: intra-government balances</b>	<u>225,340</u>	<u>321,184</u>
Balances with bodies external to government	8,673	7,768
<b>Total debtors at 31 March</b>	<u>234,013</u>	<u>328,952</u>

## 7. Cash at Bank and in Hand

The Commission does not hold any cash balances at the bank or in hand. Grant in aid drawn down by the Commission is held by the Northern Ireland Court Service, which makes all payments required on behalf of the Commission. The balance held by the Court Service on behalf of the Commission is included within debtors (see note 6).

## 8. Creditors

### 8(a) Analysis by type

	<i>31/03/07</i>	<i>31/03/06</i>
	£	£
<b>Amounts falling due within one year:</b>		
Trade creditors	(16,058)	(11,936)
Accruals and deferred income	(131,022)	(312,406)
	<u>(147,080)</u>	<u>(324,342)</u>

There are no creditor amounts falling due after more than one year.

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## 8(b) Intra-Government Balances

	<i>Amounts falling due within one year</i>	
	<i>31/03/07</i>	<i>31/03/06</i>
	£	£
Balances with other central government bodies	(113,348)	(288,790)
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b><i>Subtotal: intra-government balances</i></b>	<b><i>(113,348)</i></b>	<b><i>(288,790)</i></b>
Balances with bodies external to government	(33,732)	(35,552)
<b>Total creditors at 31 March</b>	<b><i>(147,080)</i></b>	<b><i>(324,342)</i></b>

## 9. Capital and Reserves

	<i>General</i>	<i>Capital</i>
	<i>Reserve</i>	<i>Grant</i>
	<i>(restated)</i>	<i>(restated)</i>
	£	£
<b><i>Balance at 1 April 2006</i></b>	4,610	3,028
Net expenditure for period	(1,348,884)	-
Grant received from Northern Ireland Court Service	1,431,207	1,567
Release to income and expenditure account	-	(851)
<b>Balance at 31 March 2007</b>	<b><i>86,933</i></b>	<b><i>3,744</i></b>

## 10. Notes to the Cash Flow Statement

### 10(a) Reconciliation of surplus for period to operating cash flows

	<i>Year ended</i>	<i>15/06/05-</i>
	<i>31/03/07</i>	<i>31/03/06</i>
	<i>£</i>	<i>(restated)</i>
	<i>£</i>	<i>£</i>
Deficit for period	(1,350,605)	(1,008,600)
Adjustments for non-cash transactions	1,721	212
Decrease/(Increase) in Debtors	94,939	(328,952)
(Decrease)/Increase in Creditors	(177,262)	324,342
<i>Net cash outflow from operating activities</i>	<u>(1,431,207)</u>	<u>(1,012,998)</u>

### 10(b) Analysis of capital expenditure and financial investment

		<i>Year ended</i>	<i>15/06/05-</i>
		<i>31/03/07</i>	<i>31/03/06</i>
		<i>£</i>	<i>(restated)</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Tangible fixed asset additions	5	1,567	3,112
Receipt of capital grant	9	(1,567)	(3,112)
<i>Net cash outflow from investing activities</i>		<u>-</u>	<u>-</u>

### 10(c) Analysis of financing

		<i>Year ended</i>	<i>15/06/05-</i>
		<i>31/03/06</i>	<i>31/03/07</i>
		<i>£</i>	<i>(restated)</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Receipt of grant in aid from NI Court Service	9	1,431,207	1,012,998
<i>Net financing</i>		<u>1,431,207</u>	<u>1,012,998</u>

### **11. Capital Commitments**

There are no contracted capital commitments at 31 March 2007 for which no provision has been made.

### **12. Commitments Under Leases**

#### **12.1 Operating leases**

The Commission makes use of premises and equipment where the operating lease is held by the Northern Ireland Court Service. The Commission reimburses the Court Service for the leasing costs as they are incurred, but does not have any future commitments in respect of these leases.

#### **12.2 Finance leases**

The Commission had no finance leases operating during the period.

### **13. Other Financial Commitments**

There are no contracted non-capital commitments at 31 March 2007 for which no provision has been made.

### **14. Financial Instruments**

FRS 13, *Derivatives and Other Financial Instruments*, requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely

non-trading nature of the Commission's activities and the way in which executive non-departmental bodies are financed, the Commission 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 FRS 13 mainly applies. The Commission 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 the Commission in undertaking its activities.

As permitted by FRS 13, the department has elected to exclude from disclosure all debtors and creditors which mature or become payable within 12 months from the balance sheet date.

#### **Liquidity risk**

The Commission is financed by grant in aid from the Northern Ireland Court Service. It is not, therefore, exposed to significant liquidity risks.

#### **Interest rate risk**

The Commission's financial assets and its financial liabilities carry no rates of interest. The Commission is not therefore exposed to interest rate risks.

### **Foreign currency risk**

The department's exposure to foreign currency risk is not significant. Foreign currency income and expenditure is negligible.

### **Fair values**

Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows have been discounted by the Treasury discount rate of 2.2 per cent in real terms.

## **15. Contingent Liabilities**

As at 31 March 2007, the Commission did not have any contingent liabilities.

## **16. Losses and Special Payments**

During the year, there were no losses or special payments that required disclosure.

## **17. Related-Party Transactions**

The Commission is a non-departmental body sponsored by the Northern Ireland Court Service. The Court Service is regarded as a related party. The Commission has had various material transactions with the Court Service during the period.

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

## **18. Prior year adjustments**

The 2006-07 FReM requires that grant in aid funding is accounted for as financing, rather than revenue, and is therefore credited to the General Reserve. The comparative figures in these accounts have been amended to reflect this change in accounting treatment.

## **19. Post Balance Sheet events**

There were no material post balance sheet events for the year ended 31 March 2007. The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on 31 March 2008.



ANNUAL REPORT and ACCOUNTS 2006 - 2007

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