



# NIJAC

*Northern Ireland Judicial  
Appointments Commission*

ANNUAL REPORT  
AND ACCOUNTS  
2011-2012



SELECTING THE BEST APPLICANTS AND SUPPORTING DIVERSITY



**NIJAC**

*Northern Ireland Judicial  
Appointments Commission*

**ANNUAL REPORT**

**AND ACCOUNTS**

**2011-12**

**Northern Ireland Judicial Appointments Commission**

**Annual Report and Accounts  
for the year ended 31 March 2012**

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

*On 3 October 2012*

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# CHAIRMAN'S FOREWORD

This is our seventh report on the work of the Northern Ireland Judicial Appointments Commission (the Commission), which covers a very demanding period of appointments and appointments policy work, diversity and communications work, and internal governance and accountability.

During the reporting period 1 April 2011 - 31 March 2012, the Commission made 32 recommendations for judicial appointment (Courts 7, Tribunals 25) and 54 renewal recommendations.

A key focus has been on streamlining and embedding wider assessment methods such as assessment centres and introducing shortlisting interviews for the High Court Judge.

During 2011-12 the Commission has been working on the development of a new online recruitment system ("eRecruit") which will enable people to apply for some judicial posts online via our website. While we will continue to allow people to apply for judicial office in the usual way, we are hopeful that eRecruit will prove a straightforward, safe and efficient way of applying for judicial office online. We look forward to officially launching eRecruit in autumn 2012.

The Commission also launched a new website in August 2011 ([www.nijac.gov.uk](http://www.nijac.gov.uk)). The new website contains a wealth of information about the Commission, the judicial appointments process and is frequently updated with details of the most recent, and forthcoming, judicial appointments. It also features interactive content such as video podcasts with judicial office holders, case studies and helpful tips on applying for judicial office.

An important objective for the Commission is to ensure continuing liaison with all stakeholders; a Northern Ireland Joint Liaison Committee (NIJLC) will be established to consider issues of mutual interest to the Commission and the legal professions in relation to appointments to judicial office.

I look forward to building on our good work to date and continuing our ongoing consultation with all interested parties. This will ensure that we continue to get the best applicants, from as diverse an applicant pool as possible, applying for judicial office.

*Sir Declan Morgan, Lord Chief Justice of Northern Ireland and Chairman of the Northern Ireland Judicial Appointments Commission.*

# **DIRECTOR'S REPORT**

## **History and Background**

The Commission is an executive non-departmental public body (NDPB), sponsored by the Office of the First Minister and Deputy First Minister (OFMDFM).

The Commission was established on 15 June 2005 under the Justice (Northern Ireland) Acts 2002 and 2004, to enhance an independent process for the appointment of judicial office holders to courts and tribunals in Northern Ireland. This legislation implements the recommendations of the Northern Ireland Criminal Justice Review. Following the devolution of justice on 12 April 2010, under the Northern Ireland Act 2009, the Commission was given new responsibilities, including becoming an appointing body, with influence over the judicial complement, and determination over certain terms and conditions in agreement with sponsoring departments who hold the budgets for judicial offices.

The Commission comprises of 13 members drawn from the judiciary, legal profession and other professional backgrounds. The judicial members are nominated by the Lord Chief Justice, with each judicial tier represented. The Bar Council of Northern Ireland and Law Society of Northern Ireland nominate one member each to serve on the Commission, and the Commission's five lay members are public appointments. OFMDFM is responsible for the appointment and re-appointment of lay members.

The Commission is supported by 18 staff, headed by a Chief Executive (Edward Gorringe) who is responsible for the day-to-day management of the Commission.



The Commissioners and staff have very different responsibilities. The Commissioners are responsible for the strategic direction and overseeing all appointments and outreach activities. They are effectively the Management Board to whom the staff report. Commissioners have an equal say in the work of the Commission and are of equal status.

## **Purpose**

The Commission selects and appoints, and recommends for appointment, applicants for judicial office, thereby removing this function from Government Ministers and the political process. The Commission also has influence over the judicial complement, and determination over certain terms and conditions in agreement with sponsoring departments who hold the budgets for judicial offices.

The Commission is committed to appointing the best possible judicial office holders for Northern Ireland through fair, open and transparent selection and appointment processes.

We recognise and value diversity and seek to promote equality while ensuring that merit remains the principle for selecting and recommending applicants for appointment. We work to encourage all eligible applicants, regardless of gender, ethnic background, marital status, sexual orientation, political opinion, geographical location, religion, disability, age and whether or not they have dependants, to consider applying for judicial office. The Commission also undertakes to ensure that those who apply will undergo a selection process that assesses their abilities and personal qualities fairly and openly. In this way, the Commission is confident that the best individuals will be appointed.

## **Our Goal**

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

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

## **Our Values**

- **independence:** we are independent of Government. We make our decisions on whom to appoint, and recommend for appointment, and in our work to achieve a reflective judiciary free from any outside influence;
- **merit:** we will appoint and recommend for appointment applicants solely on the basis of merit;
- **diversity:** we will implement a programme of action designed to support our aim to achieve, as far as reasonably practicable, a judiciary that is reflective of our society;
- **fairness:** we will be fair in our decision making;
- **transparency:** we will be open about our policies, procedures and activities;
- **accountability:** we will explain our activities and, where appropriate, the reasons for our decisions; and
- **partnership:** we will work closely with interested parties to share learning and to inform our work.

## **Responsibilities**

Our statutory responsibilities are to:

- select and appoint, and recommend for appointment, in respect of all listed judicial offices up to and including High Court Judge;
- recommend applicants 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 recommend a person for appointment, to a listed judicial office; and
- publish an annual report setting out the activities and accounts for the past year.

## **Chief Executive**

Edward Gorrington is the Chief Executive and Accounting Officer.

## **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.

## **Composition of the Commission**

**The Commission consists of a Chairman (the Lord Chief Justice of Northern Ireland) and twelve other members appointed by the First Minister and deputy First Minister, acting jointly.**

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

Mrs Sinéad Burns, Lay Magistrate;

The Right Honourable Lord Justice Coghlin, Lord Justice of Appeal;

Mr Peter Cush, Barrister at Law, Legal Member (appointment expired 14 June 2011);

Mr Donal Flanagan OBE, Lay Member;

Mr John G Gordon, Solicitor, Legal Member (appointment expired 14 June 2011);

District Judge (Magistrates' Courts) Amanda Henderson;

Mrs Ruth Laird CBE, Lay Member (appointment expired 14 June 2012);

Her Honour Judge Loughran, County Court Judge;

Mr James McNulty QC, Legal Member (appointed 15 June 2011)

Professor John Morison, Lay Member (appointment expired 14 June 2012);

Dr Raymond Mullan OBE, Lay Member (appointment expired 14 June 2012);

Mr Alastair Rankin, Solicitor, Legal Member (appointed 15 June 2011)

Professor Nichola Rooney, Lay Member; and

The Honourable Mr Justice Weatherup, High Court Judge.

At the end of their first term, judicial members are re-appointed for a period of 5 years, the lay members are re-appointed for 4 years and the legal members for a period of 3 years.

Mr James McNulty QC replaced Mr Peter Cush and Mr Alastair Rankin replaced Mr John Gordon, as legal members, at the end of their term on 14 June 2011. Mr McNulty QC and Mr Rankin took up post on 15 June 2011.

The term of lay members Mrs Ruth Laird CBE, Professor John Morison and Dr Raymond Mullan OBE, expired on 14 June 2012. Arrangements are being taken forward by the Office of the First Minister and Deputy First Minister to replace these lay members.

All members are non-executive and independent.

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

### **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.

# MANAGEMENT COMMENTARY

## Corporate Objectives

### Appointments Process

- to select and appoint, and recommend for appointment, applicants to listed judicial office by identifying the best applicant on merit.

### Diversity and Communications

- to engage in a programme 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; and
- to communicate helpful information advice and guidance to targeted audiences to raise awareness and stimulate interest; 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.

### Accountability

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

## Operating Review

During the reporting year, the Commission managed and delivered a substantive programme of appointments and renewals to judicial office. The Commission made 32 recommendations for appointment (Courts 7, Tribunals 25). Additionally, it made 54 recommendations for the renewal of appointments within the Tribunals. For full equity monitoring information on applicant pools and renewals (Courts and Tribunals) see Appendix 2.

Post devolution arrangements have now become embedded in the Commission's working practices. It works in close partnership with the Department of Justice and other departments in relation to the judicial complement, succession planning, job analysis and agreeing Terms and Conditions for those judicial offices for which the Commission is jointly responsible.

The Commission has continued to focus on continuous improvement in relation to its selection policies. The three-year Appointments Strategy has been successfully implemented. A number of policies have also been reviewed regarding consultees, character and suitability, confidentiality, feedback, late applications and employment checks. This year has also seen a consolidation of our appointment methodology in the use of wider selection methods such as assessment centre approaches which have included the use of role plays, oral and written case studies and the use of shortlisting interviews for the office of High Court Judge.

Recruitment campaigns were highly effective, especially in relation to the recruitment of medical professionals, overcoming past difficulties. Evaluations of recruitment schemes continue to inform the Programme of Action and, in February 2012, a research team from Queen's University, Belfast (QUB) was commissioned to revisit the 2008 NISRA/QUB findings to identify further areas for improvement.

Judicial appointments processes have been under scrutiny both in England & Wales and Northern Ireland. In September 2011, the Commission submitted a detailed response to the House of Lords Constitution Committee and in February 2012 it also submitted a response to the Northern Ireland Assembly's Committee for Justice. In March 2012, the Lord Chief Justice of Northern Ireland, in his role as Chairman of the Commission, also gave oral evidence to the Committee for Justice.

Additionally, in January 2012, the Commission provided a response to the Department of Justice in relation the future administration of Tribunals in Northern Ireland.

## **Financial Overview**

As an NDPB, the Commission is subject to the relevant Government and accounting guidelines. The Commission was financed in 2011-12 by grant-in-aid through OFMDFM and does not normally obtain additional funding from any other source.

Deficit transferred to taxpayers' equity for the year totalled £1,411,011 (2010-11: £1,434,267). The main areas of expenditure were staff costs £816,456 (2010-11: £807,647) which accounted for 58% (2010-11: 56%) of the total expenditure, and accommodation costs of £198,051 (2010-11: £168,754) accounting for 14% (2010-11: 12%) of the total expenditure. Receipts of £675, relating to the reimbursement of maintenance costs, were received during the year (2010-11: £Nil).

The total grant drawn down from OFMDFM in respect of 2011-12 was £1,446,025 (2010-11: £1,283,684). A grant amount of £148,895 was received on 28 March 2011 relating to the 2011-12 budget allocation from OFMDFM, making the total grant payments received during 2011-12 £1,297,130.



There was no capital expenditure during the year (2010-11: £45,398). At the year end, the assets owned by the Commission had a net book value of £30,087 (2010-11: £43,208). In addition to these assets, the Commission also made use of various assets that belonged to the Northern Ireland Courts and Tribunals Service (NICTS) up to 7 January 2012. An annual charge was made by NICTS for the use of these assets.

## **Going concern**

The statement of financial position at 31 March 2012 shows net liabilities of £72,226. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not met from the Commission's other sources of income, may only be met by future grant-in-aid from the Commission's sponsoring department, the Office of the First Minister and Deputy First Minister. This is because, under the normal conventions applying to Assembly control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-aid for 2011-12, taking into account the amounts required to meet the Commission's liabilities falling due in that year, have already been included in the departments' Estimates for that year, which have been approved by the Assembly, and there is no reason to believe that the departments' future sponsorship and future Assembly approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## **The Future**

The Commission is faced with a challenging year ahead. It awaits the UK Government's response to the House of Lords Constitution Committee, the NI Assembly's Committee of Justice's report on the judicial appointments process, the Department of Justice's proposals for the further reform of Tribunals in Northern Ireland and the outcome of the Assembly's review of the sunset clause (Northern Ireland Act 2009). It also awaits the QUB research findings (the report is due mid 2012) which will further inform its Programme of Action.

The Commission will continue to augment its approaches to outreach and the appointments process. It will introduce an online recruitment service for applicants and work is ongoing to develop a CPD seminar. It will also continue its ongoing liaison with all stakeholders including the Department of Justice.

A Northern Ireland Joint Liaison Committee (NIJLC) will be established in 2012-13. The NIJLC will be comprised of, at a senior level, Commissioners and representatives from the legal professional bodies.

Additionally, OFMDFM as the Commission's sponsoring department, has commissioned a staffing review to ensure the continued effectiveness of the Commission's internal support structures.

## **Corporate Governance Arrangements**

The Northern Ireland Judicial Appointments Commission is an executive non-departmental public body (NDPB) established as an independent body under the Justice (Northern Ireland) Acts 2002 and 2004. The Commission's primary source of income is grant-in-aid provided by the OFMDFM.

OFMDFM determines the performance framework for the Commission. The Commission in consultation with the NICTS and OFMDFM will set out its objectives and key targets having due regard to the priorities of the Executive and the available resources.

The Commission has agreed a Management Statement with OFMDFM. This sets out the relationship between the two organisations and defines the financial and administrative framework within which the Commission operates. It also sets out the conditions on which grant-in-aid is paid to the Commission and the delegations within which the Commission operates. The Management Statement has been approved by Ministers responsible for OFMDFM. It is supplemented by a Financial Memorandum agreed with the Commission and approved by OFMDFM and the Department of Finance and Personnel (DFP).

The relationship between the Commission and the Ministers and their Department are governed by the 'arm's length' principle. These responsibilities are discharged on a day-to-day basis on the Ministers' behalf by the Sponsoring Department.

## **Staffing**

The Commission's full complement in 2011-12 was 19 staff covering 18 posts, which includes 5 directly recruited senior staff and 14 staff seconded from NICTS, as an Agency of the Department of Justice. One post is covered by 2 job sharers on secondment. The Commission is committed to staff development and continues to identify and address development needs through the performance management system.

## **Days lost due to absence**

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

In 2011-12 the percentage of working days lost was 6.9% (2010-11: 4.26%) or an average of 17.24 days (2010-11: 10) per annum per employee. During the year, four members of staff were on long term sick leave; two have returned to full employment and two returned to NICTS at the end of their secondment.

## **Equal Opportunities and Diversity**

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

Generally Civil Service Policies (contained in the Civil Service Staff Handbook) have been adopted by the Commission and apply both to staff on secondment and those directly recruited.

Some policies have been amended to facilitate the Commission's particular structure, as necessary.

All staff are currently managed under the NI Civil 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 NI Civil 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 among those of different ages, marital status or sexual orientation or who have or have not dependants and good relations between those of different religions, political opinions and races.

The Sponsor Department's Employment Equality Plan to protect all those groups from discrimination also applies. Employment and promotion are based solely on merit. Staff who work reduced hours are assessed on the same basis as those working full time. A Dignity and Harmony at Work policy is in place to secure a positive working environment.

## **Employment of Disabled Persons**

The Commission adheres to the NI 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 achieved through senior staff briefings and the cascading of information to all staff. All staff are also automatically invited to contribute during the consultation exercises issued in relation to staff policies.

## **Sustainable Development**

The Commission continues to demonstrate its active support to the objectives of the UK Sustainable Development Strategy, which is founded on five overarching principles which seek to address environmental, social and economic issues.

The UK Sustainable Development Strategy can be found at [www.defra.gov.uk/sustainable/government/publications/uk-strategy/index.htm](http://www.defra.gov.uk/sustainable/government/publications/uk-strategy/index.htm).

The Commission is working towards sustainable development and seeks to demonstrate its commitment to reducing environmental impacts wherever possible.

The Commission's aims are:

- **climate change and energy efficiency** - to reduce energy consumption as far as reasonably and economically practicable;
- **waste management and recycling** - to reduce waste, increase the proportion of waste that is recycled and eliminate our use of landfill sites for general office waste;
- **procurement** - to promote a purchasing policy which will give preference, as far as practical, to those products and services which cause the least harm to the environment; and
- **people** - to seek to embed the principle of sustainable development through increasing awareness of sustainability responsibilities among staff and for all who work with us.

The Commission currently recycles all office waste and encourages electronic communication to reduce the generation of excess paper. The circulation of corporate publications is confined to a succinct audience and the Commission ensures that corporate documents are printed on paper derived from sustainable sources. The Commission ensures that all printed publications are carbon neutral and that its website is used to promote circulation of corporate information to a wider audience.

## **Information Management**

The Commission aims to ensure that all information is safeguarded and kept securely.

The Commission has agreed an Information Strategy, setting out our vision for managing our information more efficiently and intelligently.

One aspect of this is ensuring that the Commission manages information risk by following the requirements of our suite of Information Assurance policies. We have reviewed compliance with these policies to ensure that the importance of information security is embedded within the Commission.

During the year a favourable internal audit review of our Information Assurance policies and procedures provided strong assurance in this area.

## **Personal Data Related Incidents**

There were no recorded loss of data incidents during the 2011-12 financial year.

## **Payment of Suppliers**

The Commission is committed to the prompt payment of suppliers. The Confederation of British Industry's Prompt Payment Code for achieving good payment performance in commercial transactions requires payment within 30 days of the receipt of the goods or services or on presentation of a valid invoice or similar demand, whichever is later (unless otherwise stated in the contract). During the year 95.75% (2010-11: 97.73%) of invoices were paid within this standard.

Since January 2009, the Commission's aim has been to pay all valid invoices within ten days of receipt. During 2011-12, 89.71% (2010-11: 68.25%) of invoices were paid within the target.

## **Accounting Responsibilities**

The Commission's 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 for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is the head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Commission.

The audit of the financial statements for 2011-12 resulted in an audit fee of £11,340 (2010-11: £12,885). The C&AG did not provide any non-audit services during the year. I, as Accounting Officer, 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.

## **Complaints**

During the period of this report, one complaint was made to the Northern Ireland Judicial Appointments Ombudsman. The complaint was not upheld.

# CHAPTER 1 - 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 and met its identified objectives within budget.

Under our Annual Audit Plan, our internal auditors ASM conducted formal reviews of Appointments, Diversity and Communications and Human Resource management and training.

## **Liaison meetings**

The Commission has formal meetings with OFMDFM every quarter. Key business issues are addressed in this forum. Finance, expenditure against forecasts, achievement of our objectives, risk and corporate governance are all standing agenda items. In this way any concerns can be identified, highlighted and addressed at an early stage. Ad hoc meetings are arranged at the request of either party, as necessary.



# **CHAPTER 2 - Internal Working Arrangements**

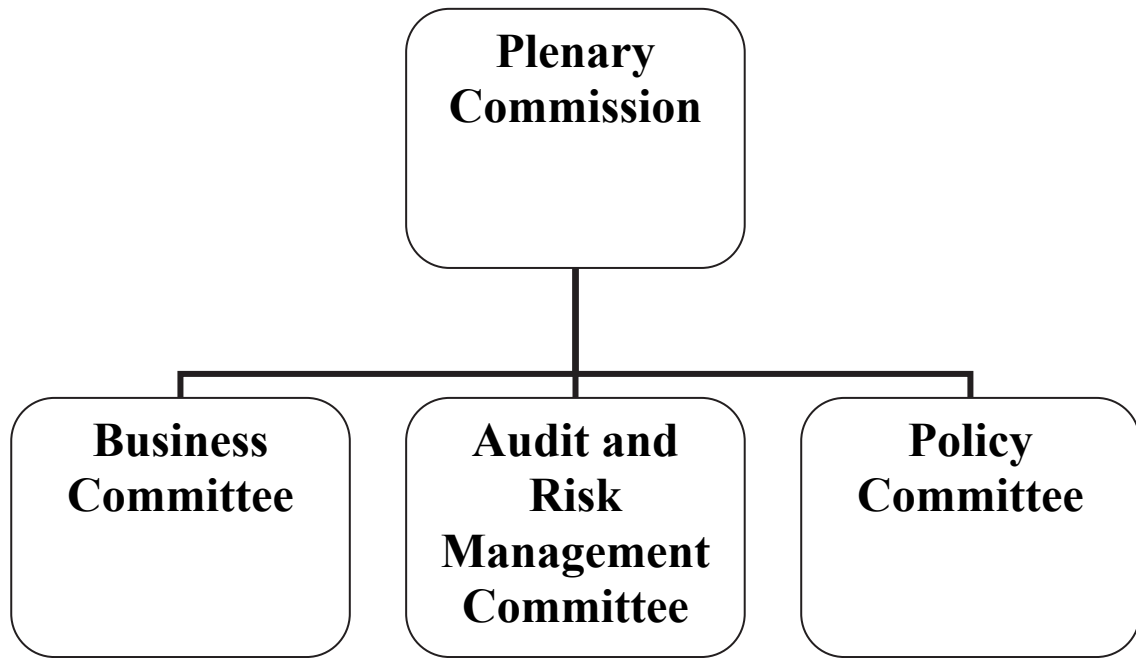
## **Structure of Committees**

The Commission has three committees: the Audit and Risk Management Committee, the Business Committee and the Policy Committee. During the year, a sub group was established to consider renewals and terms and conditions of appointment. The outcomes of the sub group's work will be presented in this reporting period.

## **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 Plenary Commission meetings are published on the Commission's website.

## Committee Structure April 2011 – March 2012



### Membership of Committees as at 31 March 2012

Membership of the standing Committees as at 31 March 2012 was as follows:

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

##### **Membership**

Professor John Morison, Lay Member (Chairman)

Mrs Sinéad Burns, Lay Member

Mrs Ruth Laird CBE, Lay Member

Her Honour Judge Loughran, County Court Judge

Mr James McNulty QC, Legal Member

Mr Alastair Rankin, Solicitor, Legal Member

## **Business Committee;**

### **Membership**

Mr Donal Flanagan OBE, Lay Member (Chairman from 15 June 2011 to 14 November 2011)

District Judge (Magistrates' Courts) Amanda Henderson

Dr Raymond Mullan OBE, Lay Member (interim Chairman from 15 November 2011)

Mr James McNulty QC, Legal Member

Mr Alastair Rankin, Solicitor, Legal Member

Professor Nichola Rooney, Lay Member

The Honourable Mr Justice Weatherup, High Court Judge

## **Policy Committee;**

### **Membership**

The Right Honourable Lord Justice Coghlin, Lord Justice of Appeal (Chairman)

Mrs Sinéad Burns, Lay Member

Mr Donal Flanagan OBE, Lay Member

District Judge (Magistrates' Courts) Amanda Henderson

Mrs Ruth Laird CBE, Lay Member

Her Honour Judge Loughran, County Court Judge

Professor John Morison, Lay Member

Mr James McNulty QC, Legal Member

Mr Alastair Rankin, Solicitor, Legal Member

Professor Nichola Rooney, Lay Member

The Honourable Mr Justice Weatherup, High Court Judge

## Remit of Committees

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 on 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 Report 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 and the communication protocol for the Commission and its Committees.

The Business Committee shall:

- ensure there is in place for publication a strategic plan, annual business plan, annual report and statement of accounts;
- approve the programme of meetings of the Commission;
- approve membership of panels for appointment schemes, in consultation with the Chairman of the Commission;
- approve programmes of work and priorities;
- approve what appointment schemes should be commenced and in what order and delegate operational management of appointment schemes and approval of scheme paperwork to selection committees;
- approve the programme of action for each scheme;
- approve the programme for any official visits;
- take action on urgent issues when consideration by the full Commission is not practical;
- monitor the internal policies of the Commission;
- oversee/monitor performance against corporate business plan;
- oversee/monitor the control of expenditure within the Commission;
- develop and ensure delivery of the programme of appointments and renewals including delivery of a programme of action to support each appointment scheme;
- promote the work and role of the Commission with regard to communications, public relations and information; and
- provide material as appropriate for inclusion in the annual report and all Committee reports as required.

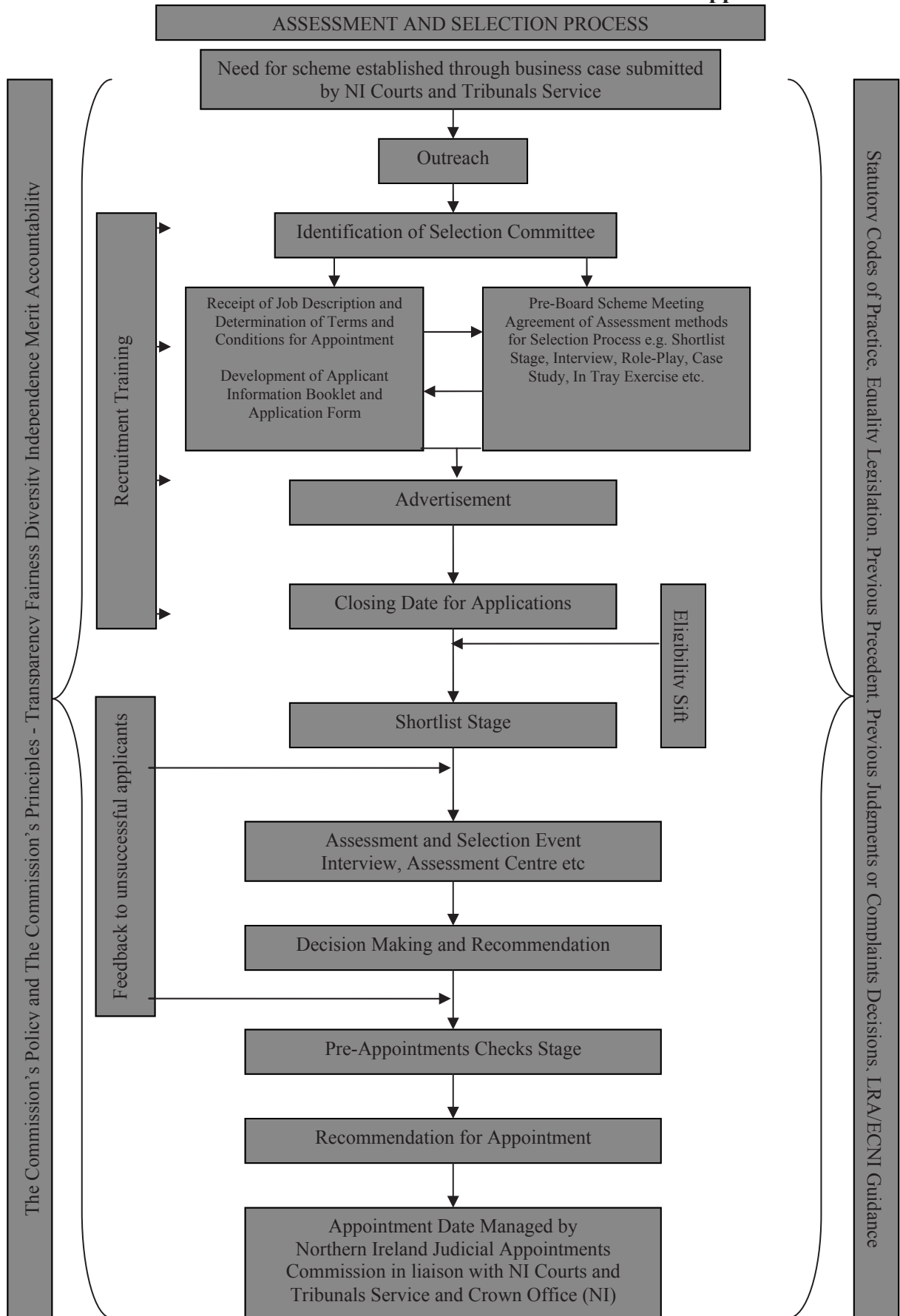
The Policy Committee shall:

- develop a strategy and programme of work to ensure delivery of the strategic and annual objectives in respect of appointments policy and diversity;
- ensure appointments policy, practice and procedure is evaluated and kept under review and improvements proposed and made;
- develop and maintain a database of information in respect of the reflectiveness of the Northern Ireland judiciary;
- ensure equity monitoring information is available for consideration by the Commission;
- set up and implement an equality scheme when designated by the Equality Commission for Northern Ireland; and
- provide material as appropriate for inclusion in the annual report and all Committee reports as required.

## **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 and 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 ARMC or the Chairman and a member of the Audit and Risk Management Committee. The meetings are normally attended by a representative from the Commission's Internal Audit function and members of External Audit. The Committee may also ask any other officials of the organisation to attend to assist it with its discussions in any particular matter. The ARMC 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. The ARMC is authorised to obtain independent professional advice if it considers it necessary.

# APPENDIX 1 – Assessment and Selection Process for Judicial Appointment



# APPENDIX 2 - Diversity Statistics

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

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

### *1. Recommendations for appointment during the Period 2011 - 12.*

During the reporting period the Commission made 32 recommendations for appointment (Courts 7; Tribunals 25) – 2 High Court Judges, 2 County Court Judges, 1 District Judge, 1 Deputy District Judge (Magistrates' Courts)<sup>1</sup>, 1 Deputy County Court Judge<sup>2</sup>, 1 Chief Social Security Commissioner & Chief Child Support Commissioner, 1 Social Security Commissioner & Child Support Commissioner, 5 Deputy Social Security Commissioners & Deputy Child Support Commissioners, 2 National Security Certificate Appeal Tribunal Legal Members, 3 National Security Certificate Appeal Tribunal Lay Members, 1 Appeal Tribunals Medical Consultant Member and 12 Appeal Tribunals Medical Generalist Members.

Gender	Male	Female	Total
	24	8	32
%	75%	25%	100%

<sup>1</sup> 1 recommendation and appointment in 2011-12 followed on from 5 appointments in 2010-11 through the same Deputy District Judge (Magistrates' Courts) Scheme. Applicant Pool data shown in 2010-11 Annual Report.

<sup>2</sup> Appointed under the auspices of the Post Retirement Appointment Policy.

Please note that percentage figures quoted are approximate.



<b>Community Background</b>	Protestant	Roman Catholic	Neither
	14	14	4
%	44%	44%	12%

<b>Age on Appointment</b>	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
	7	1	4	0	6	8	6
%	22%	3%	12%	0%	19%	25%	19%

<b>Ethnic Origin</b>	White	Other
	32	0
%	100%	0%

<b>Disability</b>	No Disability Declared	Disability Declared
	30	2
%	94%	6%

<b>Personal Geographic Location</b>		
Belfast	17	52%
Co Antrim	2	7%
Co Armagh	0	0%
Co Down	6	19%
Co Fermanagh	1	3%
Co Londonderry	1	3%
Co Tyrone	0	0%
Other	5	16%
Not indicated	0	0%

<b>Business Geographical Location</b>		
Belfast	19	59%
Co Antrim	1	3%
Co Armagh	1	3%
Co Down	3	10%
Co Fermanagh	0	0%
Co Londonderry	0	0%
Co Tyrone	1	3%
Province wide	0	0%
Other	5	16%
Not indicated	2	6%

## ***2. Recommendations for renewal of appointment during the Period 2011 - 12.***

During the reporting period the Commission made 54 recommendations for renewal of appointment (Courts 0; Tribunals 54) – 3 Appeal Tribunals Financial Members, 9 Appeal Tribunals Legal Members, 2 Appeal Tribunals Consultant Members, 6 Appeal Tribunals Medical Generalist Members, 1 Criminal Injuries Compensation Appeals Panel Chairman, 9 Criminal Injuries Compensation Appeals Panel Legal Members, 4 Criminal Injuries Compensation Appeals Panel Medical Members, 7 Criminal Injuries Compensation Appeals Panel Lay Members, 1 Lands Tribunal President, 4 Mental Health Review Tribunal Medical Members, 2 Pensions Appeal Tribunals Legal Members, 2 Pensions Appeal Tribunals Medical Members and 4 Traffic Penalty Tribunal Adjudicators.

<b>Gender</b>	Male	Female	Total
	39	15	54
%	72%	28%	100%

<b>Community Background</b>	Protestant	Roman Catholic	Neither
	24	24	6
%	44.5%	44.5%	11%

<b>Age on Renewal</b>	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
	1	1	6	8	9	8	21
%	2%	2%	11%	15%	16%	15%	39%

<b>Ethnic Origin</b>	White	Other
	53	1
%	98%	2%

<b>Disability</b>	No Disability Declared	Disability Declared
	51	3
%	94%	6%

<b>Personal Geographic Location</b>		
Belfast	26	48%
Co Antrim	8	15%
Co Armagh	2	4%
Co Down	3	5%
Co Fermanagh	0	0%
Co Londonderry	4	8%
Co Tyrone	8	15%
Other	0	0%
Not indicated	3	5%

<b>Business Geographical Location</b>		
Belfast	32	59%
Co Antrim	4	8%
Co Armagh	3	5%
Co Down	0	0%
Co Fermanagh	0	0%
Co Londonderry	2	4%
Co Tyrone	5	9%
Province wide	0	0%
Other	0	0%
Not indicated	8	15%

### 3. Applicant pools during the Period 2011 - 12

#### Applicant Pools 2011 - 12

##### Courts

During the reporting period the Commission received 95 applications for the following schemes – 2 High Court Judges (13 applications received), 2 County Court Judges (18 applications received) and 1 District Judge (64 applications received).

<b>Gender</b>	Male	Female	Total
	56	39	95
%	59%	41%	100%

<b>Community Background</b>	Protestant	Roman Catholic	Neither
	43	50	2
%	45%	53%	2%

<b>Age</b>	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
	1	10	17	17	37	8	5
%	1%	11%	18%	18%	39%	8%	5%

<b>Ethnic Origin</b>	White	Other
	94	1
%	99%	1%

<b>Disability</b>	No Disability Declared	Disability Declared
	92	3
%	97%	3%

<b>Personal Geographic Location</b>		
Belfast	35	37%
Co Antrim	8	8.5%
Co Armagh	1	1%
Co Down	34	36%
Co Fermanagh	2	2%
Co Londonderry	6	6%
Co Tyrone	8	8.5%
Other	1	1%
Not indicated	0	0%

<b>Business Geographical Location</b>		
Belfast	58	61%
Co Antrim	4	4%
Co Armagh	1	1%
Co Down	6	6%
Co Fermanagh	2	2%
Co Londonderry	7	7.5%
Co Tyrone	7	7.5%
Province wide	0	0%
Other	1	1%
Not indicated	9	10%

## Applicant Pools 2011 - 12

### Tribunals

During the reporting period the Commission received 114 applications for the following schemes – 1 Chief Social Security Commissioner & Chief Child Support Commissioner (8 applications received), 1 Social Security Commissioner & Child Support Commissioner (16 applications received), 5 Deputy Social Security Commissioners & Deputy Child Support Commissioners (5 applications received)<sup>3</sup>, 3 National Security Certificate Appeal Tribunal Legal Members (2 applications received)<sup>4</sup>, 3 National Security Certificate Appeal Tribunal Lay Members (26 applications received), 6 Appeal Tribunals Medical Consultant Members (13 applications received) and 6 Appeal Tribunals Medical Generalist Members (44 applications received).<sup>5</sup>

<b>Gender</b>	Male	Female	Total
	79	35	114
%	69%	31%	100%

<b>Community Background</b>	Protestant	Roman Catholic	Neither
	52	50	12
%	46%	44%	10%

<b>Age</b>	35 and under	36-40	41-45	46-50	51-55	56-60	Over 60
	24	3	13	10	24	22	18
%	21%	3%	11%	9%	21%	19%	16%

<b>Ethnic Origin</b>	White	Other	<b>Disability</b>	No Disability Declared	Disability Declared
	110	4		112	2
%	96%	4%	%	98%	2%

<sup>3</sup> Scheme ran as internal trawl

<sup>4</sup> 3 posts advertised but only 2 applications received.

<sup>5</sup> A minimum of 6 Consultant and 6 Generalist positions were advertised. This scheme is still ongoing and further appointments are expected in 2012-13.

<b>Personal Geographic Location</b>		
Belfast	42	38%
Co Antrim	20	17%
Co Armagh	6	5%
Co Down	19	17%
Co Londonderry	13	11%
Co Fermanagh	1	1%
Co Tyrone	6	5%
Other	5	4%
Not indicated	2	2%

<b>Business Geographical Location</b>		
Belfast	46	40%
Co Antrim	14	12%
Co Armagh	2	2%
Co Down	9	8%
Co Fermanagh	0	0%
Co Londonderry	10	9%
Co Tyrone	3	3%
Province wide	3	3%
Other	5	4%
Not indicated	22	19%

## Applicant Pools 2011 - 12

### Combined

During the reporting period the Commission received 209 applications for the following schemes – 2 High Court Judges (13 applications received), 2 County Court Judges (18 applications received), 1 District Judge (64 applications received), 1 Chief Social Security Commissioner & Chief Child Support Commissioner (8 applications received), 1 Social Security Commissioner & Child Support Commissioner (16 applications received), 5 Deputy Social Security Commissioners & Deputy Child Support Commissioners (5 applications received)<sup>6</sup>, 3 National Security Certificate Appeal Tribunal Legal Members (2 applications received)<sup>7</sup>, 3 National Security Certificate Appeal Tribunal Lay Members (26 applications received), 6 Appeal Tribunals Medical Consultant Members (13 applications received) and 6 Appeal Tribunals Medical Generalist Members (44 applications received).<sup>8</sup>

<b>Gender</b>	Male	Female	Total
	135	74	209
%	64%	36%	100%

<b>Community Background</b>	Protestant	Roman Catholic	Neither
	95	100	14
%	45%	48%	7%

<b>Age</b>	35 and under	36-40	41-45	46-50	51-55	56-60	61+
	25	13	30	27	61	30	23
%	12%	6%	14.5%	13%	29%	14.5%	11%

<sup>6</sup> Scheme ran as internal trawl

<sup>7</sup> 3 posts advertised but only 2 applications received.

<sup>8</sup> A minimum of 6 Consultant and 6 Generalist positions were advertised. This scheme is still ongoing and further appointments are expected in 2012-13.



<b>Ethnic Origin</b>	White	Other
	204	5
%	98%	2%

<b>Disability</b>	No Disability Declared	Disability Declared
	204	5
%	98%	2%

<b>Personal Geographic Location</b>		
Belfast	77	37%
Co Antrim	28	13%
Co Armagh	7	3%
Co Down	53	25%
Co Fermanagh	3	2%
Co Londonderry	19	9%
Co Tyrone	14	7%
Other	5	2%
Not indicated	3	2%

<b>Business Geographical Location</b>		
Belfast	104	49%
Co Antrim	17	8%
Co Armagh	3	2%
Co Down	15	7%
Co Fermanagh	3	2%
Co Londonderry	17	8%
Co Tyrone	10	5%
Province wide	3	2%
Other	5	2%
Not indicated	32	15%

# **APPENDIX 3 - 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 decided that objectives should reflect activity against appointments process, diversity, accountability and external communications.

The following sets out the achievement of objectives during 2011-12.

## **The Objectives in the 2011-12 Business Plan**

The four perspectives of appointments process, diversity, accountability and external communications are set out below with a statement of progress at year end against each.

### **Appointments Process**

To select and appoint, and recommend for appointment, applicants to listed judicial office by identifying the best applicant on merit.

1. Manage and deliver a programme of appointments and renewals to judicial offices listed in Schedule 1 to the 2002 Act.

**Achieved.**

2. To implement the transition arrangements for the inclusion of new judicial offices under devolution.

**Ongoing.**

3. To develop and implement new devolved responsibilities regarding determination and agreement of terms and conditions.

**Achieved and ongoing.**

4. To review and implement an appointments strategy following the strategic review and consultation of appointments policies and procedures that will detail the appointments development work and new initiatives.

**Achieved.**

5. To implement a refresher assessment and selection learning and development programme for Commissioners and staff to continuously improve the assessment and selection function.

**Achieved.**

## **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.

6. Assist in succession planning by maintaining the database of judicial appointments.

**Achieved and ongoing.**

7. To carry out equity monitoring of appointment schemes and produce reports of the findings.

**Achieved.**

8. To carry out an annual equity monitoring exercise and to produce a report summarising the position regarding applications for judicial appointments during the year, and the position regarding judicial office holders, compared with the applicant pool.

**Achieved.**

9. Having now completed the NISRA/QUB research, continue implementation of the Research Review and associated action plan.

**Achieved.**

10. Desk based research into non-legal posts to continue.

**Achieved.**

## **Accountability**

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

11. To continue to work with OFMDFM to manage the early years under devolution, agree SLAs and framework documents with interested parties, settle secondment arrangements for staff to ensure that the Commission can operate effectively and meet its objectives.

**Achieved.**

12. To ensure that the Commission demonstrates the highest levels of information assurance.

**Achieved.**

13. To publish the Annual Report and Accounts 2010-11.

**Achieved.**

14. By March 2012 to secure from the sponsorship department the required level of resources to deliver the Commission's 2012-13 objectives.

**Achieved.**

15. To maintain internal financial and stewardship controls within the Commission, which meet government guidelines

**Achieved.**

16. To demonstrate strong corporate governance at all times.

**Achieved.**

## External Communications

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.

17. To continue to implement the communication/diversity strategy to include continued website development, including online applications, circulation of articles and publications.

**Achieved and ongoing.**

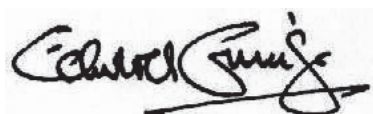
18. To maintain a publication scheme as approved by the Information Commissioner's office and respond to all Freedom of Information Act and Data Protection Act queries within the set guidelines.

**Achieved.**

77.78% of targets were achieved

16.67% were achieved and ongoing

5.55% were ongoing



**Edward Gorringe**

**Accounting Officer**

**17 September 2012**

# Remuneration Report

## Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010-11 and 2011-12 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint. The freeze on pay in 2010-11 and 2011-12 also applies to Permanent Secretaries.

The pay system in place for senior civil servants in the Northern Ireland Civil Service is currently under review.

## Service Contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

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

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).

### *Chief Executive*

The position of Chief Executive throughout 2011-12 was held by Edward Gorringe, a direct employee of the Commission.

The remuneration payable to the Chief Executive was as follows:

Name	2011-12			2010-11		
	Salary	Bonus Payments	Benefits in Kind	Salary	Bonus Payments	Benefits in Kind
	£000	£000	(nearest £100)	£000	£000	(nearest £100)
Edward Gorringe	60-65	-	-	35-40	-	-

Mr Gorringe was on unpaid special leave from June to October 2010. If unpaid leave had not been taken the 2010-11 salary band would have been equivalent to that in 2011-12.

## Commission members

The remuneration payable to the Commission members was as follows:

Name	2011-12		2010-11	
	Salary £000	Benefits in Kind (nearest £100)	Salary £000	Benefits in Kind (nearest £100)
The Right Honourable Sir Declan Morgan (Chair) (commenced 3 July 2010)	-	-	-	-
The Right Honourable Sir Brian Kerr (former Chair) (stood down 26 June 2010)	-	-	-	-
Mrs Sinéad Burns	0-5	-	5-10	-
The Right Honourable Lord Justice Coghlin	-	-	-	-
Mr Peter Cush	0-5	-	0-5	-
Mr Donal Flanagan OBE	0-5	-	0-5	-
Mr John Gordon	0-5	-	0-5	-
District Judge (Magistrates' Courts) Amanda Henderson	-	-	-	-
Mrs Ruth Laird CBE	10-15	-	0-5	-
Her Honour Judge Loughran	-	-	-	-
Mr James McNulty QC (commenced 15 June 2011)*	-	-	-	-
Professor John Morison	5-10	-	0-5	-
Dr Raymond Mullan OBE	0-5	-	0-5	-
Mr Alastair Rankin (commenced 15 June 2011)	0-5	-	-	-
Professor Nichola Rooney	5-10	-	0-5	-
The Honourable Mr Justice Weatherup	-	-	-	-

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

<b>Band of Highest Paid Director's Total</b>			
<b>Remuneration</b>		60-65	35-40
<b>Median Total Remuneration</b>		23,336	25,799
<b>Ratio</b>		2.68	1.45



## **Salary**

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

## **Benefits in kind**

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

## **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were awarded in 2011-12. Commission Members do not receive bonus payments.

## **Pay Multiples**

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

The banded remuneration of the highest-paid director in the Commission in the financial year 2011-12 was £60,000-£65,000 (2010-11: £35,000-£40,000). This was 2.68 times (2010-11: 1.45 times) the median remuneration of the workforce, which was £23,336 (2010-11: £25,799).

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

The movement in the ratio between 2011-12 and 2010-11 is due to the Chief Executive being on unpaid special leave from June to October 2010.

## Pension Entitlements (*Audited Information*)

### *Commission Members*

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

### *Chief Executive*

	<b>Accrued Pension at age 65 at 31 March 2012 and related lump sum</b>	<b>Real increase/ (decrease) in pension and related lump sum at age 65</b>	<b>CETV at 31 March 2012</b>	<b>CETV at 31 March 2011*</b>	<b>Real increase/ (decrease) in CETV</b>	<b>Employer contribution to partnership pension account</b>
<b>Name and title</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Nearest £100</b>
Mr E Gorringe Chief Executive	0-5 plus 0 lump sum	0-2.5 plus 0 lump sum	24	11	10	-

*\* The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.*

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

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2012, public service pensions will be increased by 5.2% with effect from 9 April.

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the CSP arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni).

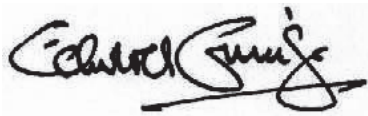
## **Cash Equivalent Transfer Values**

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

The actuarial factors that are used in the CETV calculation were changed during 2011, due to changes in demographic assumptions. This means that the CETV in this year's report for 31/03/11 will not be the same as the corresponding figure shown in last year's report.

## **Real increase in CETV**

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

A handwritten signature in black ink, appearing to read 'Edward Gorringe', with a horizontal line drawn underneath the signature.

**Edward Gorringe**  
**Accounting Officer**  
**17 September 2012**

# STATEMENT OF THE NORTHERN IRELAND JUDICIAL APPOINTMENTS COMMISSION'S AND 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 and on the basis determined by the Office of the First Minister and Deputy First Minister (OFMDFM), with the approval of the Department of Finance and Personnel. 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, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by OFMDFM 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 *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 OFMDFM designated the Chief Executive as the Accounting Officer for the Commission. The 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 DFP and published in *Managing Public Money Northern Ireland*.



# STATEMENT ON INTERNAL CONTROL

## **Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Judicial Appointments 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 NI and the Non Departmental Public Body (NDPB) Accounting Officer Memorandum.

The relationship between the Commission and its sponsoring Department, OFMDFM, is set out in the Management Statement. The Management Statement defines the financial and administrative framework within which the Commission operates, sets out the conditions on which grant-in-aid is paid and the delegations within which the Commission operates. The Management Statement has been given DFP approval and is supplemented with a Financial Memorandum agreed with the Commission and approved by the Department.

## **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 system of internal control has been in place in the Commission for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

## **Capacity to handle risk**

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

As the Accounting Officer, I have overall responsibility for the Commission's corporate business and decisions, and ensuring the effective management of the associated risks. Ownership of risks has been allocated to the relevant Senior Manager and they have received the necessary training to assist them in handling these risks.

## **The risk and control framework**

Risk assessment and management is an ongoing process in the Commission. The key strategic risks are set out in the Corporate Risk Register. The Business Managers are responsible for the risk management within their own team, covering the individual areas of:

- Appointments
- Corporate Planning, Resources and Governance; and
- Diversity and Communications.

As part of the business planning process, at all levels, the identification and assessment of risk is required when setting business objectives, these risks are formally reported in the 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.

The Commission's Risk Management Handbook is used to manage risks that may affect the achievement of business objectives. It outlines the respective roles and responsibilities of the Accounting Officer, the Senior Management Team, Internal Audit, the Audit and Risk Management Committee and all staff.

The Commission has ensured that procedures are in place for verifying that risk management and internal control are regularly reviewed, challenged, and reported on. The Risk Register is formally reviewed and updated quarterly at Senior Management Team meetings, reviewed at each meeting of the Business Committee and the Audit and Risk Management Committee, and reviewed annually at the Plenary meeting.

Risks to information are managed and controlled as part of the Risk Management Process. The Information Risk Policy supplements our corporate approach to risk management and encourages staff and managers to consider information as assets, supported by the compilation of Information Asset Registers. Information Assurance policies and procedures are reviewed and updated regularly, and processes are in place to identify and control risks to information. I have assumed the role of Senior Information Risk Owner for the Commission and continue to ensure that procedures are in place for identifying and controlling risks to information.

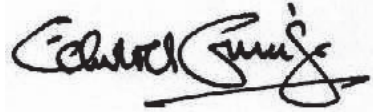
## **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Commission who have the responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Senior Executive Team and the Audit and Risk Management Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A number of elements contribute to the review of effectiveness of the system of internal control including:

- The Senior Management Team, which exercises authority at a corporate level within the Commission and comprises the Accounting Officer and Business Managers.
- The Business Committee, which is chaired by a Lay Member, is presented with the Corporate Risk Register at each meeting for review. The Committee met 5 times in 2011-12.
- The Audit and Risk Management Committee, chaired by a Lay Member, met three times in 2011-12. The Committee receives reports on internal control and provides oversight in ensuring that appropriate steps are being taken to manage and monitor risks. The Committee approves Internal Audit plans and reviews reports from both Internal and External Auditors. The meetings are also attended by Internal and External Audit, and minutes of the meetings are provided to the Plenary, which comprises the full Commission.
- The Plenary, chaired by the Lord Chief Justice in his role as Chairman of the Commission, receive the Corporate Risk Register annually.
- The internal audit function, which is provided by ASM, operates to the Government Internal Audit Standards. Internal Audit submits regular reports to the Audit and Risk Management Committee and to me as Accounting Officer. These include an independent opinion by the Head of Internal Audit on the adequacy, reliability and effectiveness of the Commission's system of risk management, control and governance, together with recommendations for improvement.
- Quarterly Stewardship Statements are produced by the Senior Manager in each team and sent to me as Accounting Officer. These provide me with assurance that risk management processes are effective and operating in line with the Commission's risk management framework. As Accounting Officer, I submit a quarterly stewardship statement to the Commission's Sponsoring Department, OFMDFM, and the Audit and Risk Management Committee.

During 2011-12, internal audit carried out reviews of three areas of the Commission. Internal Audit gave an overall Satisfactory Assurance for the year. There are no significant control issues.

A handwritten signature in black ink, appearing to read 'Edward Gorringe', with a long horizontal flourish extending from the end of the signature.

**Edward Gorringe**

**Accounting Officer**

**17 September 2012**

# **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements of the Northern Ireland Judicial Appointments Commission for the year ended 31 March 2012 under the Justice (Northern Ireland) Act 2002 as amended. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity 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 Appointment Commission, Accounting Officer and auditor**

As explained more fully in the Statement of the Northern Ireland Judicial Appointments Commission's and Accounting Officer's Responsibilities, the Northern Ireland Judicial Appointments Commission and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Justice (Northern Ireland) Act 2002 as amended. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Judicial Appointments Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Judicial Appointments Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

## **Opinion on Regularity**

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

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Judicial Appointments Commission's affairs as at 31 March 2012 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 as amended and the Office of the First Minister and Deputy First Minister's directions issued thereunder.



## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Office of the First Minister and Deputy First Minister's directions made under the Justice (Northern Ireland) Act 2002 as amended; and
- the information given in the Chairman's Foreword, the Director's Report, the Management Commentary and the Programme of Business for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

## **Report**

I have no observations to make on these financial statements.



**KJ Donnelly**

**Comptroller and Auditor General**

**Northern Ireland Audit Office**

**106 University Street**

**Belfast**

**BT7 1EU**

**19 September 2012**

**NORTHERN IRELAND JUDICIAL  
APPOINTMENTS COMMISSION**

**ACCOUNTS**

**2011-12**

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2012

		Year ended 31/03/12	Year ended 31/03/11
		£	£
	Note		
<b>Expenditure</b>			
Staff costs	4	816,456	807,647
Depreciation, amortisation and revaluation	6 & 7	13,079	9,559
Other operating costs	5	582,151	617,061
<b>Total Expenditure</b>		<u>1,411,686</u>	<u>1,434,267</u>
<b>Income</b>	3	(675)	-
<b>Net Expenditure transferred to Taxpayers' equity</b>		<u>1,411,011</u>	<u>1,434,267</u>

All operations are continuing.

## Other Comprehensive Expenditure for the year ended 31 March 2012

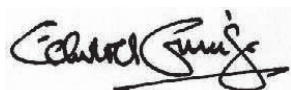
		Year ended 31/03/12	Year ended 31/03/11
		£	£
	Note		
Net (gain)/loss on revaluation of Intangibles	7	42	553
<b>Total Comprehensive Expenditure</b>		<u>1,411,053</u>	<u>1,434,820</u>

The notes on pages 70 to 90 form part of the accounts

# Statement of Financial Position

as at 31 March 2012

	Note	31 March 2012		31 March 2011	
		£	£	£	£
<b>Non-current assets:</b>					
Property, plant and equipment	6	16,130		20,487	
Intangible assets	7	<u>13,957</u>		<u>22,721</u>	
<b>Total non-current assets</b>			<b>30,087</b>		<b>43,208</b>
<b>Current assets:</b>					
Trade and other receivables	9	21,329		12,881	
Cash and cash equivalents	10	<u>21,759</u>		<u>191,936</u>	
<b>Total current assets</b>			<b>43,088</b>		<b>204,817</b>
<b>Total assets</b>			<b><u>73,175</u></b>		<b><u>248,025</u></b>
<b>Current liabilities</b>					
Trade and other payables	11	<u>(145,401)</u>		<u>(206,328)</u>	
<b>Total current liabilities</b>			<b>(145,401)</b>		<b>(206,328)</b>
<b>Non-current assets plus net current assets less current liabilities</b>			<b><u>(72,226)</u></b>		<b>41,697</b>
<b>Assets less liabilities</b>			<b><u>(72,226)</u></b>		<b><u>41,697</u></b>
<b>Taxpayers' equity</b>					
General fund			(72,226)	41,655	
Revaluation reserve			<u>-</u>	<u>42</u>	
			<b><u>(72,226)</u></b>	<b><u>41,697</u></b>	



**Edward Gorringe**  
Accounting Officer  
17 September 2012

The notes on pages 70 to 90 form part of the accounts

## Statement of Cash Flows

for the year ended 31 March 2012

		Year ended 31/03/12	Year ended 31/03/11
		£	£
	Note		
<b>Cash flows from operating activities</b>			
Net Expenditure		(1,411,011)	(1,434,267)
Adjustments for non-cash transactions		13,079	9,559
(Increase)/decrease in trade and other receivables	9	(8,448)	239,596
Increase/(decrease) in trade and other payables	11	<u>(60,927)</u>	<u>(10,133)</u>
<b>Net cash outflow from operating activities</b>		<b><u>(1,467,307)</u></b>	<b><u>(1,195,245)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	-	(23,993)
Purchase of intangible assets	7	<u>-</u>	<u>(21,405)</u>
<b>Net cash outflow from investing activities</b>		<b><u>-</u></b>	<b><u>(45,398)</u></b>
<b>Cash flows from financing activities</b>			
Grants from parent department		<u>1,297,130</u>	<u>1,432,579</u>
<b>Net financing</b>		<b><u>1,297,130</u></b>	<b><u>1,432,579</u></b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b><u>(170,177)</u></b>	<b><u>191,936</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b><u>191,936</u></b>	<b><u>-</u></b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b><u>21,759</u></b>	<b><u>191,936</u></b>

The notes on pages 70 to 90 form part of the accounts

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2012

	General Fund £	Revaluation Reserve £	Total Reserves £
<b>Balance at 1 April 2010</b>	<b>43,343</b>	<b>595</b>	<b>43,938</b>
Grant from parent	1,432,579	-	1,432,579
Transfers between reserves			
Comprehensive Expenditure for the year	<u>(1,434,267)</u>	<u>(553)</u>	<u>(1,434,820)</u>
<b>Movements in Reserves</b>	<u>(1,688)</u>	<u>(553)</u>	<u>(2,241)</u>
<b>Balance at 31 March 2011</b>	<b>41,655</b>	<b>42</b>	<b>41,697</b>
<b>Changes in taxpayers' equity for 2011-12</b>			
Grant from parent	1,297,130	-	1,297,130
Transfers between reserves			
Comprehensive Expenditure for the year	<u>(1,411,011)</u>	<u>(42)</u>	<u>(1,411,053)</u>
<b>Movements in Reserves</b>	<u>(113,881)</u>	<u>(42)</u>	<u>(113,923)</u>
<b>Balance at 31 March 2012</b>	<b><u>(72,226)</u></b>	<b><u>-</u></b>	<b><u>(72,226)</u></b>

The notes on pages 70 to 90 form part of the accounts

# Notes to the Financial Statements

## 1.0 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2011-12 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items considered material to the accounts.

### 1.1 Accounting convention

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

### 1.2 Property, Plant and Equipment

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

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

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



All property, plant and equipment is reviewed annually for impairment and is carried at fair value. All non-property operational assets are deemed to be short-life or low value assets and are therefore valued on the basis of depreciated replacement cost as an approximation of fair value.

Property, plant and equipment were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

### **1.3 Intangible assets**

Expenditure on intangible assets which includes software, software licences, and the associated costs of implementation is capitalised where the cost is £1,000 or more. Intangible assets are reviewed annually for impairment and are carried at fair value.

Intangible assets have been stated at their value to the business by reference to Office of National Statistics (ONS) indices. The indices were obtained from ONS MM22 Producer Price Indices as at March 2012. Assets are not indexed in the year of acquisition.

## **1.4 Depreciation and Amortisation**

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

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

Useful lives are normally in the following ranges:

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

The residual values of assets are reviewed on an annual basis.

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

## **1.5 Inventories**

Consumable inventories are not considered material and are charged to the Statement of Comprehensive Net Expenditure in the year of purchase.

## **1.6 Income**

Income consists of amounts charged to external bodies for the provision of certain recruitment schemes. Grant in aid funding received from OFMDFM is treated as a movement in the General Fund.

## **1.7 Operating leases**

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Future payments, disclosed at Note 14, are not discounted.

## **1.8 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described in Note 4. The defined benefit schemes are unfunded and are non-contributory, except in respect of dependants' benefits. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Commission recognises the contributions payable for the year.

## **1.9 Value Added Tax**

The Commission is ineligible to reclaim input Value Added Tax (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 reporting 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%). No provisions were necessary for 2011-12.

## 1.11 Contingent Liabilities

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts.

## 1.12 Financial Instruments

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

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Commission does not hold any complex financial instruments. The majority of financial instruments relate to contracts for non-financial items in line with the Commission's expected purchase and usage requirements; the Commission is therefore exposed to little credit, liquidity or market risk.

The Commission has financial instruments in the form of trade receivables and payables, and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are non-derivative non-current assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

The Commission assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

The Commission also has financial instruments in the form of trade payables that are classified in accordance with IAS 39 as 'other financial liabilities'. These are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

### **1.13 Employee Benefits**

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

### **1.14 Estimate techniques used and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Commission's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

- ***Depreciation of property, plant and equipment, and amortisation of intangible assets.***

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimate useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in Note 1.4.

## 2. Statement of Operating Costs by Operating Segment

The organisation's operating structure has been reviewed to identify if there are any business activities which are unconnected and thus separate segments as defined by IFRS 8 *Operating Segments*. The Commission does not generate any income streams; any income disclosed in the accounts relates to rechargeable expenses as a result of the shared occupancy of the building and are not regarded as material (2011-12: £675).

The Commission's one overall objective is to '*Select the best applicants and promote diversity*'; all expense generating activities are interlinked and cannot operate in isolation, therefore the Chief Executive Officer in his role as Accounting Officer and Chief Operating Decision Maker (CODM) does not consider there to be separate segments within the organisation.

Financial information is reported to the CODM, the Plenary, the Business Committee, the Audit and Risk Management Committee and OFMDFM, for the organisation as a whole, no parts of the organisation is reported on separately. The budget is bid for, allocated and managed for the Commission as a whole; there are no budget allocations to a specific area as a separate segment.

## 3. Income

	Year ended 31/03/12 £	Year ended 31/03/11 £
Miscellaneous Income	675	-
<b>Total Income</b>	<b>675</b>	<b>-</b>

Miscellaneous Income is income from the reimbursement of maintenance costs for the unoccupied section of the building, from the leaseholder.

## 4. Staff numbers and related costs

Staff costs comprise:

	Year ended 31/03/12 Total £	Permanently employed staff £	Inward seconded staff * £	Agency staff £	Commission members £	Year ended 31/03/11 Total £
<b>Direct Staff</b>						
Wages and salaries	663,117	223,313	386,203	19,318	34,283	654,582
Social security costs	42,990	19,523	21,955	-	1,512	43,233
Other pension costs	110,349	49,438	60,911	-	-	109,832
<b>Total costs</b>	<b>816,456</b>	<b>292,274</b>	<b>469,069</b>	<b>19,318</b>	<b>35,795</b>	<b>807,647</b>

\* Inward seconded staff wages and salaries cost includes £78,178 (2010-11: £76,200) relating to VAT.

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) is an unfunded multi-employer defined benefit scheme but the Northern Ireland Judicial Appointments Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. In accordance with FReM, full actuarial valuations should be carried out every four years. However, formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions and while future scheme terms are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates, and these are currently being determined under the new scheme design. Details can be found in the PCSPS (NI) resource accounts.

For 2011-12, employers' contributions of £49,438 were payable to the PCSPS (NI) (2010-11: £46,808) at one of four rates in the range 18% to 25% (2010-11: 18% to 25%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions following a full scheme valuation. The salary bands and contribution rates were revised for 2011-12 and will remain unchanged until 2012-13. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.



Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Employers' contributions were paid to partnership pension account in 2011-12 (2010-11: Nil). Employer contributions are age-related and range from 3% to 12.5% (2010-11: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8 % of pensionable pay, are payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees; no contributions were made in 2011-12 (2010-11: Nil). Contributions due to the partnership pension providers at the reporting period date were Nil (2010-11: Nil). Contributions prepaid at that date were Nil (2010-11: Nil).

No persons (2010-11: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to Nil (2010-11: Nil).

### **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:

	Total	Permanent staff	Seconded staff	Year ended 31/03/12 Number Agency staff	Year ended 31/03/11 Number Total
Chief Executive	1	1	-	-	1
Corporate Planning, Resources and Governance Team	5	-	5		5
Appointment and Policy Team	7	2	4	1	7
Diversity and Communications Team	4	2	2	-	4
<b>Total</b>	<b>17</b>	<b>5</b>	<b>11</b>	<b>1</b>	<b>17</b>

### **4.1 Reporting of Civil Service and other compensation schemes – exit packages**

There are no Civil Service and other compensation schemes exit packages to report in 2011-12 (2010-11: Nil).

## 5. Other Expenditure

	Year ended 31/03/12 £	Year ended 31/03/11 £
<b>Other operating costs</b>		
Accommodation costs	198,051	168,754
Managed services	69,182	30,642
Security costs	62,397	44,632
Scheme adverts	48,423	18,872
IT services	32,588	89,699
Services provided by NI Courts and Tribunals Service	31,688	113,729
Other costs	27,082	25,004
Maintenance	23,898	28,902
Printing, design and stationery	20,447	26,957
Other scheme costs	17,494	13,920
Heat and light	15,290	14,038
Auditors' remuneration	10,455	12,885
Staff training	10,088	11,317
Other services	9,703	15,478
Consultancy services	5,365	2,232
<b>Total</b>	<b>582,151</b>	<b>617,061</b>
<b>Non-cash items</b>		
Amortisation	8,712	3,095
Depreciation	4,357	6,464
Loss on Revaluation Reserve	10	-
<b>Total</b>	<b>13,079</b>	<b>9,559</b>

## 6. Property, plant and equipment

	Plant And Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2011	8,390	3,768	17,716	29,874
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2012</b>	<b>8,390</b>	<b>3,768</b>	<b>17,716</b>	<b>29,874</b>
<b>Depreciation</b>				
At 1 April 2011	1,055	1,441	6,891	9,387
Charged in year	1,678	377	2,302	4,357
Disposals	-	-	-	-
<b>At 31 March 2012</b>	<b>2,733</b>	<b>1,818</b>	<b>9,193</b>	<b>13,744</b>
<b>Net book value at 31 March 2012</b>	<b>5,657</b>	<b>1,950</b>	<b>8,523</b>	<b>16,130</b>
<b>Net book value at 31 March 2011</b>	<b>7,335</b>	<b>2,327</b>	<b>10,825</b>	<b>20,487</b>
<b>Asset financing:</b>				
Owned	5,657	1,950	8,523	16,130
Finance Leased	-	-	-	-
<b>Net book value at 31 March 2012</b>	<b>5,657</b>	<b>1,950</b>	<b>8,523</b>	<b>16,130</b>

The life of an asset contained in Information Technology was revised in 2011-12 as a result of entering into a new lease for the building. The resulting adjustment to depreciation of £3k was taken to the General Fund in 2011-12.

	Plant And Equipment £	Furniture and Fittings £	Information Technology £	Total £
<b>Cost or valuation</b>				
At 1 April 2010	546	3,768	1,567	5,881
Additions	7,844	-	16,149	23,993
Disposals	-	-	-	-
<b>At 31 March 2011</b>	<b>8,390</b>	<b>3,768</b>	<b>17,716</b>	<b>29,874</b>
<b>Depreciation</b>				
At 1 April 2010	292	1,064	1,567	2,923
Charged in year	763	377	5,324	6,464
Disposals	-	-	-	-
<b>At 31 March 2011</b>	<b>1,055</b>	<b>1,441</b>	<b>6,891</b>	<b>9,387</b>
<b>Net book value at 31 March 2011</b>	<b>7,335</b>	<b>2,327</b>	<b>10,825</b>	<b>20,487</b>
<b>Net book value at 31 March 2010</b>	<b>254</b>	<b>2,704</b>	<b>-</b>	<b>2,958</b>
<b>Asset financing:</b>				
Owned	7,335	2,327	10,825	20,487
Finance Leased	-	-	-	-
<b>Net book value at 31 March 2011</b>	<b>7,335</b>	<b>2,327</b>	<b>10,825</b>	<b>20,487</b>

## 7. Intangible assets

Intangible assets comprise of software and associated implementation costs.

	Total £
<b>Cost or valuation</b>	
At 1 April 2011	28,136
Additions	-
Disposals	-
Revaluations	(82)
<b>At 31 March 2012</b>	<b>28,054</b>
<b>Amortisation</b>	
At 1 April 2011	5,415
Charged in year	8,712
Disposals	-
Revaluations	(30)
<b>At 31 March 2012</b>	<b>14,097</b>
<b>Net book value at 31 March 2012</b>	<b>13,957</b>
<b>Net book value at 31 March 2011</b>	<b>22,721</b>

In 2011-12, £42 of the revaluation movement was transferred to reserves; the remaining £10 was charged to the Statement of Financial Position.

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2010	<b>7,574</b>
Additions	21,405
Disposals	-
Revaluations	(843)
<b>At 31 March 2011</b>	<b>28,136</b>
<b>Amortisation</b>	
At 1 April 2010	<b>2,610</b>
Charged in year	3,095
Disposals	-
Revaluations	(290)
<b>At 31 March 2011</b>	<b>5,415</b>
<b>Net book value at 31 March 2011</b>	<b>22,721</b>
<b>Net book value at 31 March 2010</b>	<b>4,964</b>

## 8 Impairments

There has been no write-off of impaired property, plant and equipment during 2011–12.

All downward movements in the revaluation of Intangible Assets, as a result of market fluctuations, are accounted for through the revaluation reserve to the extent that there is a credit in that reserve that relates to the assets. A £10 credit balance in reserves has been charged to the Statement of Financial Position in 2011-12.

## 9 Trade receivables and other current assets

### 9(a) Analysis by type

	31/03/12 £	31/03/11 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	21,329	12,881
<b>Total</b>	<b>21,329</b>	<b>12,881</b>

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

## 9(b) Intra-Government Receivable Balances

	Amounts falling due within one year	
	31/03/12 £	31/03/11 £
Balances with other central government bodies	16,500	10,177
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Sub-total: intra-government balances</b>	<b>16,500</b>	<b>10,177</b>
Balances with bodies external to government	4,829	2,704
<b>Total receivables at 31 March</b>	<b>21,329</b>	<b>12,881</b>

## 10. Cash and cash equivalents

	31/03/12 £	31/03/11 £
Balance at 1 April	191,936	-
Net change in cash and cash equivalent balances	<u>(170,177)</u>	<u>191,936</u>
<b>Balance at 31 March</b>	<b><u>21,759</u></b>	<b><u>191,936</u></b>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	<u>21,759</u>	<u>191,936</u>
<b>Balance at 31 March</b>	<b><u>21,759</u></b>	<b><u>191,936</u></b>

## 11. Trade payables and other current liabilities

### 11(a) Analysis by type

	31/03/12	31/03/11
	£	£
<b>Amounts falling due within one year:</b>		
Trade payables	25,092	90,034
Accruals and deferred income	120,309	116,294
<b>Total</b>	<b>145,401</b>	<b>206,328</b>

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

### 11(b) Intra-Government Payable Balances

	Amounts falling due within one year	
	31/03/12	31/03/11
	£	£
Balances with other central government bodies	86,693	182,860
Balances with local authorities	53	66
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Sub-total: intra-government balances</b>	<b>86,746</b>	<b>182,926</b>
Balances with bodies external to government	58,655	23,402
<b>Total payables at 31 March</b>	<b>145,401</b>	<b>206,328</b>

## 12. Provisions for liabilities and charges

There are no provisions for liabilities and charges during 2011-12.

## 13. Capital commitments

There are no contracted capital commitments at 31 March 2012 for which no provision has been made.

## 14. Commitments under leases

### 14.1 Operating leases

The Commission make use of premises and equipment where the operating lease was held by the Northern Ireland Courts and Tribunals Service (NICTS), and the Office of the First Minister and Deputy First Minister (OFMDFM) respectively. Any use of premises where the lease was held by NICTS ceased on 7 January 2012. The Commission reimbursed NICTS for the leasing costs as they incurred, and is invoiced directly by the lessor for the lease of the equipment held by OFMDFM; the Commission does not have any future commitments in respect of these leases. The Commission holds only one operating lease in its own name.

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31/03/12	31/03/11
	£	£
<b>Obligations under operating leases comprise:</b>		
Office Equipment		
Not later than one year	76	499
Later than one year and not later than five years	-	76
Later than five years	-	-
	<u>76</u>	<u>575</u>

### 14.2 Finance leases

The Commission had no finance leases operating during the year.

## 15. Other financial commitments

There are no contracted non-capital commitments at 31 March 2012 for which no provision has been made.



## **16. Financial instruments**

IFRS 7 *Financial Instruments: Disclosures*, requires the Commission to provide disclosure that enables evaluation of the significance of financial instruments for the Commission's financial position and performance, and the nature and extent of risks arising from financial instruments to which the Commission is exposed during the period and at the reporting date, and how the Commission manages those risks. Due to 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 IFRS 7 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.

### **Classification of financial instruments**

The Commission's financial assets are classified as trade receivables and other current assets (Note 9) and cash and cash equivalents (Note 10). The Commission's financial liabilities are trade payables and other current liabilities (Note 11). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. All financial instruments held by the Commission are non-interest bearing.

### **Risk Management**

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

## **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission is not exposed to significant credit risk and manages its exposure through its procurement policy. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables and other current assets carried in the Statement of Financial Position.

## **Liquidity risk**

The Commission was financed by grant in aid from OFMDFM. The Commission is not, therefore, exposed to significant liquidity risks.

## **Currency Risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Commission drew down grant in aid from OFMDFM in sterling. The majority of payments made and received by the Commission are in sterling. Foreign currency income and expenditure is negligible. The Commission is not therefore exposed to currency risk.

## **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Commission's financial assets and liabilities are non-interest bearing. The Commission is therefore not exposed to any interest rate risk.

## **Fair values**

Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows would have been discounted by the HM Treasury discount rate of 2.2 per cent in real terms if found to be material. No balances have been discounted for 2011-12.

## **17. Contingent liabilities**

As at 31 March 2012, the Commission did not have any contingent liabilities, which require to be disclosed under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

## **18. Losses and special payments**

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

## **19. Related-party transactions**

The Commission is a non-departmental public body sponsored by OFMDFM; the Commission have had material transactions in the form of Grant in Aid with OFMDFM. OFMDFM are regarded as related party.

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.

## **20. Third-party assets**

The Commission do not hold any third-party assets.

## **21. Prior year adjustments**

There are no prior year adjustments in the year ended 31 March 2012.

## **22. Events after the reporting period**

There were no material events post Statement of Financial Position for the year ended 31 March 2012. The annual report and accounts were authorised to be issued on the date of certification by the C&AG.

## **Contact NIJAC**

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