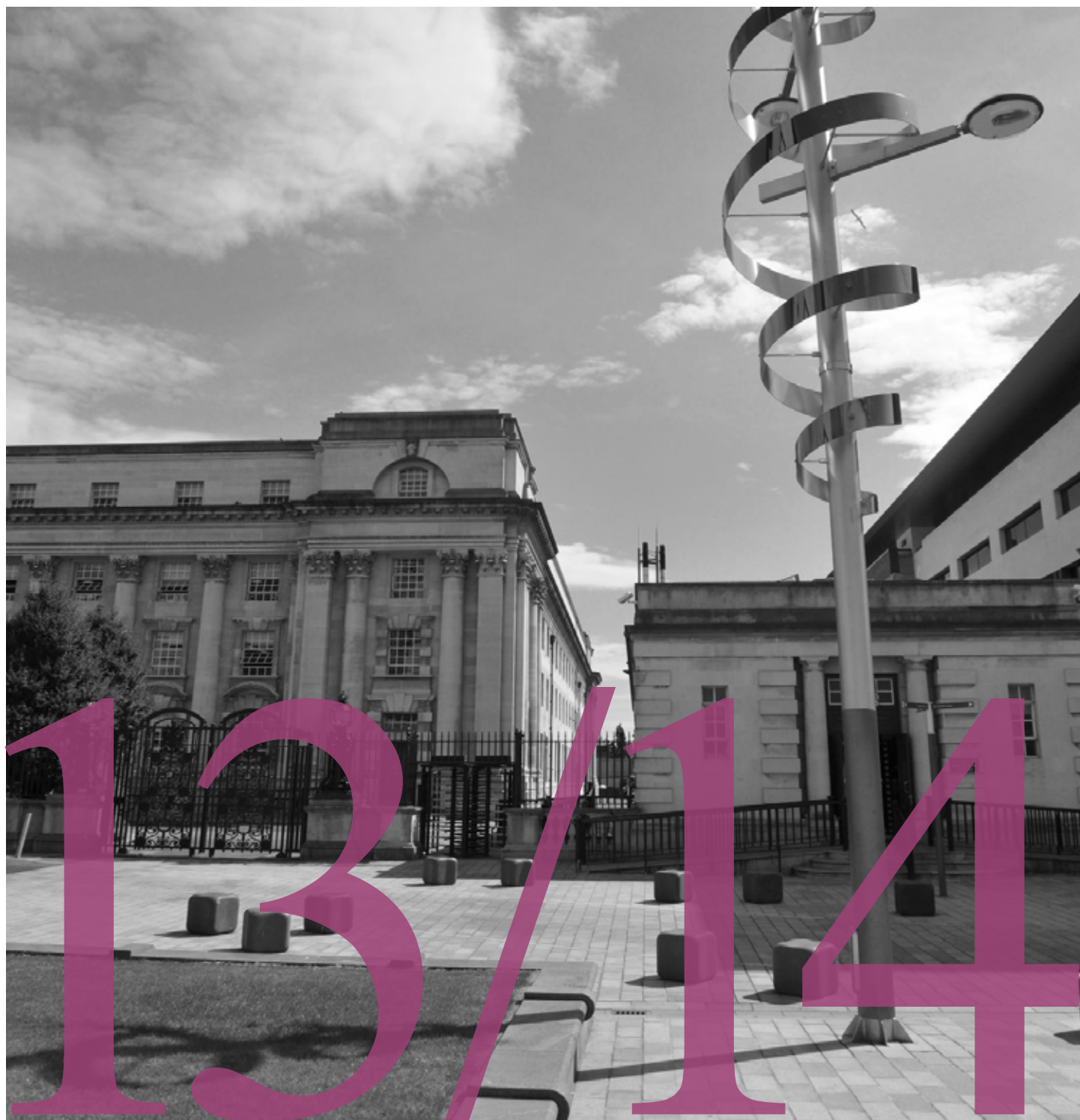


# Annual Report and Accounts



serving the community through the administration of justice

the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million (1990–2000) and is projected to increase by a further 1.5 million by 2020 (Office for National Statistics 2001). The number of people aged 65 and over is projected to increase by 2.5 million by 2020 in the USA (U.S. Census Bureau 2000). The number of people aged 65 and over in the UK is projected to increase by 2.5 million by 2020 (Office for National Statistics 2001).

There is a growing awareness of the need to develop strategies to meet the needs of the ageing population. The World Health Organization (WHO) has developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'. The WHO has also developed a 'Global Strategy on Ageing and Health' (WHO 1999) which aims to 'enable older people to live longer, healthier, and more active lives'.

---

# **Northern Ireland Courts and Tribunals Service**

## **Annual Report and Accounts for the year ended 31 March 2014**

---

Laid before the Northern Ireland Assembly under section 11(3) (c) of the  
Government Resources and Accounts Act (Northern Ireland) 2001 by the  
Department of Justice on 2 July 2014.



© Crown copyright 2014.

ISBN : 978-1-909751-21-7

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v.2. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/2/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/2/) or email [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk)

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at

Northern Ireland Courts and Tribunals Service  
Laganside House  
23-27 Oxford Street  
Belfast, BT1 3LA

This publication is also available for download from our website at [www.courtsni.gov.uk](http://www.courtsni.gov.uk)

# CONTENTS

---

<b>Foreword by the Chief Executive</b>	<b>6</b>
<b>Part 1 Chief Executive's Report</b>	<b>10</b>
Who we are	10
Corporate Aims and Values	10
How we are structured	11
Agency Board	11
<b>Part 2 Strategic Report</b>	<b>15</b>
Deliver efficient and effective court, tribunal and enforcement services	15
Deliver high quality services that support an independent Judiciary and meet the needs of our customers	22
Develop and lead our people to achieve our business objectives	24
Deliver a controlled financial and commercial environment achieving value for money	25
<b>Part 3 Remuneration Report</b>	<b>30</b>
Remuneration Policy	30
<b>Part 4 Annual Accounts 2013-14</b>	<b>36</b>
Statement of Accounting Officer's Responsibilities	36
NICTS Governance Statement 2013-14	37
The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	49
Statement of Comprehensive Net Expenditure	51
Other Comprehensive Expenditure	51
Statement of Financial Position	52
Statement of Cash Flows	53
Statement of Changes in Taxpayers' Equity	54
Notes to the Agency Resource Accounts	55
<b>Part 5 Appendices</b>	<b>87</b>
Annex A Northern Ireland Courts and Tribunals Service Organisational Chart 2014	87
Annex B Office of the Lord Chief Justice Structure 2014	88
Annex C Staffing	89
Annex D Court and Tribunal Performance Standards 2013-14	90
Appendix 1 Court Divisions & Map	100
Appendix 2 Northern Ireland Courts and Tribunals Structure	101
Appendix 3 Judicial Complement in Northern Ireland	102

## FOREWORD BY THE CHIEF EXECUTIVE

---

I am pleased to present the Annual Report and Accounts for the Northern Ireland Courts and Tribunals Service (NICTS) for 2013-14. NICTS is an Agency of the Department of Justice (DOJ), sponsored by the Access to Justice Directorate within DOJ, with the core aim of “serving the community through the administration of justice”.

The Agency provides administrative support for all of Northern Ireland’s courts and the majority of Northern Ireland’s tribunals. We are also responsible for enforcing the judgments of the civil courts through the Enforcement of Judgments Office (EJO), for funds in court through the Court Funds Office (CFO) and the Parole Commissioners Secretariat.

In the business year covered by this Annual Report, the courts and tribunals in Northern Ireland dealt with approximately 111,000 cases which is a 7.5% decrease on 2012-13.

During 2013-14 the Agency maintained or improved our service delivery standards across the majority of our business areas. Increases in business and debtors ability to pay have continued to present challenges for the EJO. We have a clear focus on the delivery of quality services and continuous improvement. I am particularly pleased that the Criminal Justice Inspectorate report on the accuracy of court orders recognised our work to achieve an accuracy level of 99.2%. Early in the next business year we will be assessed for Customer Service Excellence (CSE) re-accreditation, the public sector standard for quality service, building on our previous success and extending to our tribunal services for the first time.

Looking ahead we know that there are financial and business challenges in 2014-15, making it vitally important that we continue our commitment to deliver estate efficiencies, improving business and maximising technology.

Lastly, I would like to recognise the continued dedication and commitment to quality service delivery and improvement shown by our staff, which has enabled NICTS to achieve the level of success in 2013-14 which I trust is fully demonstrated in the body of this Annual Report.



**Jacqui Durkin**  
**Chief Executive, NICTS**

## 2013-14 HIGHLIGHTS

### Deliver efficient and effective court, tribunal and enforcement services

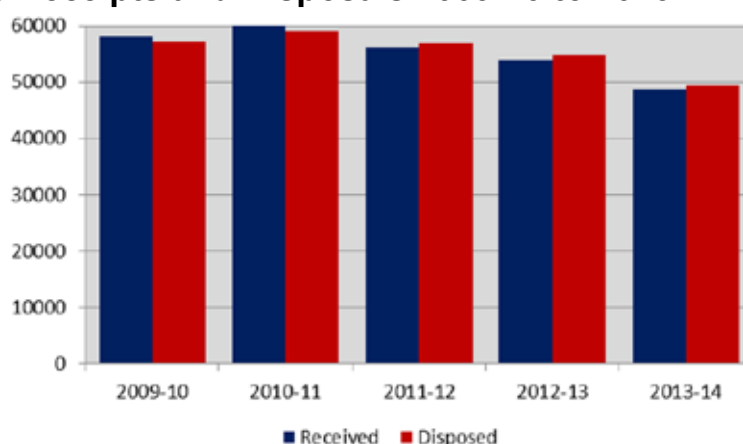
#### Criminal Court Business

- The Crown Court received 1,746 and disposed of 1,937 cases, a decrease of 2% and increase of 11% respectively from the previous year.
- The number of adult defendants received in the Magistrates' Courts decreased by 10% to 44,822, with disposals also decreasing by 11% to 45,200.
- There has been a 3% decrease in the number of Youth Court defendants received to 2,230, while the number disposed of decreased by 5% to 2,292.
- The total volumes of criminal court business received and disposed decreased by 9% and 10% respectively compared to 2012-13.

#### Criminal Court Business Cases Receipts and Disposals 2009-10 to 2013-14

##### Civil Court Business

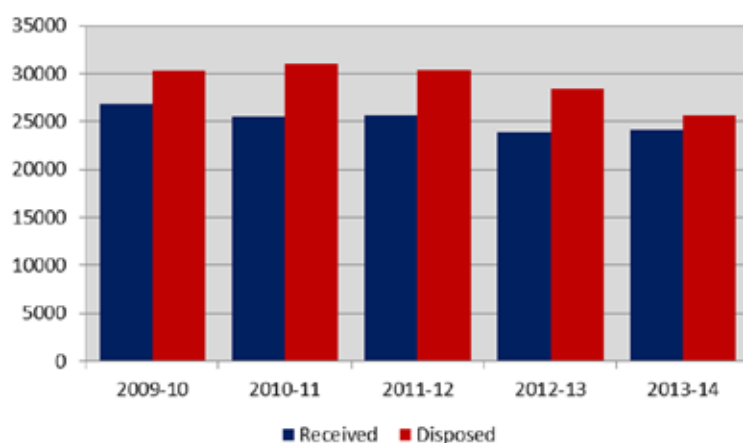
- The volume of civil court business received increased by 1%, with disposals falling by 10%.



#### Civil Court Business Cases Receipts and Disposals 2009-10 to 2013-14

##### Family Court Business

- There has been a 2% decrease in both the number of Children Order applications received and those disposed of.



## Court Funds Office

- The number of minor and patient cases with funds in court decreased from 13,272 at 31 March 2013 to 13,141 at 31 March 2014. During the year, a total of 1,958 cases were paid out in full with funds received for 1,827 new cases.
- The value of funds under the management of CFO increased from £293m to £301m.

## Tribunal Business

- 21,114 cases were received in 2013-14. 24,881 cases were received in 2012-13 (a decrease of 15% on the previous year).
- 24,382 cases were disposed of in 2013-14. 19,791 cases were disposed of in 2012-13 (an increase of 23% on the previous year).

## Parole Commissioners Secretariat

- The referrals and caseload continues to rise as is reflected in the Chief Commissioner's Annual Report with 580 referrals received and 731 decisions and recommendations issued during 2013-14 (an increase of 18% and 64% respectively on the previous year).
- During 2013-14 a new case management system was designed to support the efficient and integrated processing of Parole Commissioners' cases and to produce better management information to inform Commissioners' decision making.

## Deliver high quality services that support an independent Judiciary and meet the needs of our customers

- All 19 courthouses in Northern Ireland maintained their CSE Standard, the Government standard for Public Service Excellence.
- We rolled out the Registered Intermediary Scheme to all Crown Court venues.
- We continued to deliver interpreting and translation services across all court and tribunal venues in compliance with EU Directive 2010/64 on the right to interpretation and translation.
- We have introduced additional remote evidence links for victims and witnesses.
- We enhanced our online services to make the Integrated Court Operations System (ICOS) and EJO available 24 hours a day.
- We have developed procedures to improve fine collection and develop operational arrangements to support the implementation of fine enforcement reforms.
- During 2013-14 we continued to rationalise the court estate and made improvements to court houses to ensure compliance with Disability Discrimination Act (DDA) recommendations.
- We continue to develop and deliver ongoing job skills training to court staff. During the reporting year 47 training events have been delivered including bail training, Youth Court Guidelines, video conferencing, sexual offences, Crown Evidence Protocol, Family Orders Protocol and family courts training. We have also provided 10 training events for other criminal justice organisations, Prison Escorting Court Custody Service and the Probation Board for Northern Ireland (PBNi).

- We carried out a review of business processes in court offices and in our centralised service centres and are implementing recommendations for performance improvement. For example, the benefits in the establishment of specialised teams to process particular areas of work such as customer queries and family and civil business processing. During 2014-15 we will focus on promoting the use of online services.

## Develop and lead our people to achieve our business objectives

- We adhered to Investors in People (IiP) standards.
- We delivered against the targets set in our Staff Engagement Plan 2013-14 and worked with staff to develop a meaningful plan and engagement forum for 2014-15.
- We enhanced our information assurance policies, procedures and reporting requirements to ensure compliance with DOJ and Northern Ireland Civil Service (NICS) standards.

## Deliver a controlled financial and commercial environment achieving value for money

- We migrated our Human Resource and Payroll Services to HR Connect, the NICS shared service provider, in November 2013.
- Overall expenditure was contained within the total budget set by DOJ, however there was an overspend of £133k in non-ring fenced Departmental Expenditure Limits (DEL).
- We met all statutory financial reporting deadlines.

Full details of business volumes received and disposed of can be found at **Annex D**.

## PART 1 CHIEF EXECUTIVE'S REPORT

---

This is the Annual Report and Accounts for NICTS ("the Agency") for the financial year ended 31 March 2014. These Statements have been prepared in accordance with directions given by the Department of Finance and Personnel (DFP) in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001.

### Who we are

The Agency is an Executive Agency of the DOJ of Northern Ireland. We are accountable to the Northern Ireland Assembly through the Minister of Justice, **David Ford MLA** ("the Minister").

The role of the Agency is to:

- provide administrative support for Northern Ireland's courts, tribunals and Parole Commissioners;
- support an independent Judiciary;
- provide advice to the Minister on matters relating to the operation of the courts and the tribunals;
- enforce civil court judgments through EJO;
- manage funds held in court on behalf of minors and patients;
- provide high quality courthouses and tribunals hearing centres; and
- act as the Central Authority for the registration of judgments under international conventions.

### Corporate Aims and Values

Our corporate aim is:

"Serving the community through the administration of justice"

#### Corporate Values

We aim, at all times, to demonstrate the following corporate values:

##### Integrity

to interact with our customers with the highest degree of integrity, promoting an atmosphere of honesty and trust;

##### Openness

to undertake our work in an open and transparent manner;

##### Professionalism

to conduct our business to the highest standard;

##### Accountability

to be responsible for delivering a high quality service to the public; and

##### Fairness

to treat everyone fairly.

## How we are structured

There are 19 courthouses and a number of tribunal hearing centres across Northern Ireland, the largest being Laganside Courts and the Royal Courts of Justice (RCJ) in Belfast. All of our courthouses have achieved the **CSE Standard** in recognition of the high level of customer service provided. Further information on our structure is included in the appendices to this Report:

**Appendix 1** Court Divisions and Map

**Appendix 2** Northern Ireland Courts and Tribunals Structure

**Appendix 3** Judicial Complement in Northern Ireland

The Agency **Framework Document** sets out the arrangements for the effective governance, financing and operation of the Agency. The Framework Document was reviewed and updated in November 2013 and the current version is available on our website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk)).

## Agency Board

The NICTS Agency Board (“the Board”) provides direction to the Agency in the discharge of its responsibilities.

The Chief Executive, **Jacqui Durkin**, is the Board Chair and the Agency’s Accounting Officer. She is supported by the Heads of Court Operations, Tribunals and Enforcement, Finance and Estates, two independent Board members, a Departmental representative and four judicial attendees. During 2013-14 the Head of Business Support attended as requested.

The Board consists of:

- Chief Executive, **Jacqui Durkin** (who chairs the Board);
- Head of Court Operations, **Peter Luney**;
- Acting Head of Tribunals and Enforcement from 02 December 2013, **Mandy Morrison** (Mandy Kilpatrick was seconded out of NICTS from 13 October 2013);
- Head of Finance and Estates, **Sharon Hetherington**;
- a DOJ representative, **David Lavery**; and
- two independent members, **PJ Fitzpatrick** and **Colm McKenna**.

**Mr PJ Fitzpatrick** was appointed in April 2009 and re-appointed on 1 April 2013 until March 2016. Mr Fitzpatrick chairs the Agency Audit and Risk Committee.

**Mr Colm McKenna** joined the Board in May 2011. Mr McKenna is a member of the Agency’s Finance Committee and Courts Funds Office Judicial Liaison Committee.

The **Judicial Representatives** are nominated by the Lord Chief Justice and keep the Board informed of the views of the Judiciary on NICTS and its operations. The judicial representatives are:

**The Honourable Mr Justice Deeny**

**His Honour Judge McFarland**, Recorder of Belfast and Presiding County Court Judge

**District Judge Bagnall**, Presiding District Judge (Magistrates' Courts)

**Mr Conall MacLynn**, President of the Appeals Tribunal

The Board meets quarterly and is responsible for oversight of NICTS's performance. It has specific functions in relation to finance, planning and performance which are set out in the Agency **Framework Document**.

### Other Committees

The work of the Board is supported by a Finance Committee and the Audit and Risk Committee.

The Chief Executive is supported by four Grade 6 staff who are responsible for the following business areas:

## Court Operations (Peter Luney)

Court Operations is responsible for providing administrative support for criminal, civil and family court business and the Coroners Service. The courts deal with approximately 83,000 criminal, civil and family cases each year. Coroners deal with around 3,900 deaths reported to them and hold nearly 140 inquests per year.

## Tribunals and Enforcement (Mandy Morrison)

Tribunals and Enforcement is responsible for providing the administrative support for the majority of Northern Ireland's tribunals<sup>1</sup>, the Parole Commissioners and EJO. Tribunals and the Parole Commissioners in Northern Ireland hear around 25,000 cases each year and approximately 20,000 notices of intention to enforce are lodged with EJO annually.

NICTS also provides administrative support for a number of UK-wide tribunals sitting in Northern Ireland, including Tax Tribunal, Immigration and Asylum Tribunal, Information Tribunal and the Upper Tribunal (Administrative Appeals Chamber).

## Business Support (Elaine Topping)

Business Support delivers corporate support, information assurance, communications and information communications technology (ICT) and a payroll support service to Judicial Office Holders.

---

<sup>1</sup> including the Appeals Tribunal and Rent Assessment Tribunal, under the terms of an Agency Agreement with the Department for Social Development (DSD)

## Finance and Estates (Sharon Hetherington)

Finance and Estates supports NICTS business to make efficient use of resources and to deliver open and transparent accounting practices. The Division's remit includes management of NICTS finances, estate maintenance and security, procurement, contract management and the operation of CFO.

## Medical Advisor to the Coroners (Dr Gillian Clarke)

The Medical Advisor to the Coroners also reports to the Chief Executive.

## Our People

The number of staff employed by NICTS at the end of the year was 754 with a further 153 employed by the Department for Social Development (DSD) to support The Appeals Service (TAS) which is administered by NICTS. The majority (86%) of staff are located in frontline service posts in courthouses, tribunal hearing centres, Parole Commissioners Secretariat, EJO or in CFO.

Further information on our staff profile can be found at **Annex C**.

NICTS is committed to ensuring that staff have the right skills and knowledge to perform their jobs effectively. In addition to the training opportunities provided to staff through the Agency's Corporate Learning Plan, NICTS continued to offer staff the opportunity to undertake a specific court and tribunal National Vocational Qualification (NVQ).

A review of the Agency induction process has been undertaken to ensure that new entrants and staff transferring from elsewhere within NICS are fully integrated. A Job Skills Training Strategy aimed specifically at staff working in front-line service delivery has been implemented.

NICTS has maintained its liP accreditation. To ensure continuous improvement and to address comments arising from the liP assessment, as well as the NICS Staff Survey, a Staff Engagement Plan has been implemented. The success of this Plan will be measured against the liP Standards in 2014-15.

NICTS values staff involvement in developing and delivering its aims and objectives. Staff have input to the NICTS Annual Business Plan for 2014-15 and are involved in the business planning process at a local level.

Staff sickness and absence is managed in accordance with the NICS Inefficiency Sickness Absence Policy. Absence levels across the Department are managed against indicators which are set for each of the agencies and feed into the overall Departmental target. The indicator agreed for NICTS for 2013-14 was 9.3 days. The DOJ target for 2013-14 was 9.7 days.

The average days lost per whole time equivalent member of staff for 2013-14 was 11.0 days (2012-13: 11.0 days).

The Agency is proactive in compliance with fair employment, sex discrimination and race discrimination legislation in Northern Ireland. It is committed to the promotion of good relations amongst staff and service users. It promotes a working environment where all members of staff are treated with dignity and respect. The Agency promotes equality of opportunity and supports the commitments set out in the DOJ Equality Scheme.

## Support for the Northern Ireland Judiciary

NICTS is responsible for providing administrative support to the Northern Ireland Judiciary. There are 69 full-time and two part-time judicial office holders, 65 deputy court judicial officers, 176 Lay Magistrates, 41 Parole Commissioners and 345 tribunal members.

The Lord Chief Justice of Northern Ireland is head of the Judiciary and President of the courts of Northern Ireland. In addition, he is responsible for:

- assigning the Judiciary to the courts, listing business with the courts and determining sitting times;
- dealing with complaints against members of the Judiciary. The Code of Practice on Complaints and Protocol on Judicial Discipline are published on the NICTS website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk));
- maintaining arrangements for the welfare, training and guidance of the Judiciary; and
- representing the views of the Northern Ireland Judiciary to Parliament and to the Northern Ireland Assembly.

The Lord Chief Justice, the Rt Hon Sir Declan Morgan, is supported by the Presiding Coroner (The Hon. Mr Justice Weir), the Presiding County Court Judge (His Honour Judge McFarland, Recorder of Belfast), the Presiding District Judge (Magistrates' Courts) (Mrs Fiona Bagnall), the Presiding District Judge (Ms Isobel Brownlie), the Presiding Master (Mr Cathal McCorry) and the Presiding Lay Magistrate (Mr David Moore).

Further information on the judicial complement can be found in **Appendix 3**.



**Jacqui Durkin**  
**Accounting Officer**  
**25 June 2014**

## PART 2 STRATEGIC REPORT

The NICTS Business Plan for 2013-14 contained the following strategic objectives:

- to deliver efficient and effective court, tribunal and enforcement services;
- to deliver high quality services that support an independent Judiciary and meet the needs of our customers;
- to develop and lead our people to achieve our business objectives; and
- to deliver a controlled financial and commercial environment achieving value for money.

NICTS published a number of performance targets in its Business Plan in support of these strategic aims. The following commentary explains what was done during 2013-14 to achieve these strategic objectives.

### Deliver efficient and effective court, tribunal and enforcement services

Business volumes during 2013-14 were as follows:

	Cases Received	Cases Disposed of
Criminal	48,798	49,429
Civil	24,119	25,606
Family	8,275	7,726
Tribunals	21,114	24,382
Parole Commissioners	580	731

### Criminal Business

Criminal business includes criminal cases dealt with in the Crown Court and in Magistrates' Courts.

The Crown Court hears all offences charged on indictment. Offences tried on indictment are the more serious offences. Most Crown Court trials will be heard by a jury although, in certain circumstances, a judge sitting alone may determine a case.

The majority of criminal cases are dealt with by Magistrates' Courts. These will generally be less serious offences. In addition, Youth Courts are specially constituted Magistrates' Courts where the District Judge will usually sit with two Lay Magistrates to deal with criminal matters in relation to children.

During 2013-14 there was a 9% decrease in the number of criminal cases received to 48,798 (2012-13: 53,890). The number of criminal cases disposed of also decreased by 10% to 49,429 (2012-13: 54,762), although Crown Court disposals increased by 11%. This overall increase in disposals could be attributed in part to increased judicial allocation to this business area in Lagside Courts.

3,732 new penalty notices were received in 2013-14.

## Civil Business

Civil court business is dealt with in the High Court and the County Court.

During 2013-14 there was a 1% increase in civil business received to 24,119 (2012-13: 23,946). During 2013-14, the disposal rate for civil business decreased by 10% to 25,606 (2012-13: 28,425). This may be a consequence of greater priority being afforded to Crown Court business by County Court Judges.

## Family Business

Family business is dealt with in the High Court, County Courts (Family Care Centres) and Magistrates' Courts (Family Proceedings Courts). This area of business includes divorces and proceedings under the Children (Northern Ireland) Order 1995 in relation to the care or welfare of children.

During 2013-14 overall family business received decreased by 4% to 8,275 (2012-13: 8,592). Business disposed of during 2013-14 decreased by 1% to 7,726 (2012-13: 7,799). The reduction was primarily in private law applications and this may be a consequence of the exceptionally high numbers received in 2012-13.

## Coroners Service

Coroners inquire into deaths reported to them that appear to be unexpected or unexplained. The Coroner will seek to establish the cause of death and will make whatever inquiries are necessary to do this.

During 2013-14 the number of deaths reported to the Coroner decreased by 2% to 3,856 (2012-13: 3,922). There was a 10% increase in the number of inquests heard to 140 (2012-13: 127); a 7% increase in the number of post-mortems held to 1,124 (2012-13: 1,054); a 4% decrease in the number of cases that did not require a post-mortem to 1,872 (2012-13: 1,948) and a 2% decrease in other disposals to 719 (2012-13: 734).

## Court Funds Office

CFO is the Office of the Accountant General for the Court of Judicature of Northern Ireland. The role of CFO is to administer funds that are directed to be lodged into court. These mainly comprise of funds to be held on behalf of:

- persons under disability (i.e. those who are deemed incapable of managing their own affairs due to mental illness), or wards of court; and
- minors for whose benefit funds are paid into court. These funds are held in court until the client attains majority on their 18th birthday, unless a court order instructs otherwise.

During the year, CFO held funds on behalf of approximately 13,100 individuals. At 31 March 2014, CFO held funds totalling just over £300m.

## Tribunals

### Northern Ireland Valuation Tribunal (NIVT)

The NIVT hears appeals by home owners against their domestic rates. NIVT also hears appeals from decisions relating to rating rebates. During 2013-14 there was a decrease of 42% in the numbers of appeals received, 53 compared to 91 in 2012-13. Appeal levels have not been sustained through 2013-14 and business volumes have returned to normal business levels.

## **Social Security and Child Support Commissioners**

The Social Security Commissioners and Child Support Commissioners determine appeals on points of law from the Appeals Tribunal under the Social Security and Child Support legislation. During 2013-14 there was a decrease of 10% in the number of applications and appeals received, 232 (2012-13: 258).

## **Pensions Appeal Tribunal (PAT)**

The PAT hears appeals from ex-servicemen or women who have had their claims for a War Pension rejected by the Secretary of State for Defence. During 2013-14 there was an increase of 37% in the number of appeals received to 143 (2012-13: 104).

## **Northern Ireland Traffic Penalty Tribunal (NITPT)**

The NITPT hears appeals from Penalty Charge Notices (PCNs) issued by or on behalf of the Roads Service. During 2013-14 there was an increase of 18% to 570 (2012-13: 483).

## **Criminal Injuries Compensation Appeals Panel Northern Ireland (CICAPNI)**

The purpose of CICAPNI is to support the victims of violent crime by determining appeals from decisions made by the Compensation Service in respect of entitlement to criminal injury and criminal damages payments. During 2013-14 there was a decrease of 7% in the number of appeals received to 506 (2012-13: 542).

## **Special Educational Needs and Disability Tribunal (SENDIST)**

SENDIST considers parents' appeals from the decisions of Education and Library Boards (the "Board") about children's special educational needs, where the parents cannot reach agreement with the Board. It also deals with claims of disability discrimination in relation to children at school. During 2013-14 there was an increase of 19% in the number of appeals received to 121 (2012-13: 102).

## **Mental Health Review Tribunal (MHRT)**

MHRT reviews the cases of patients who are compulsorily detained or are subject to guardianship under the Mental Health (Northern Ireland) Order 1986. MHRT's function is to provide mental health patients with a safeguard against unjustified detention in hospital or control under guardianship. During 2013-14 there was an increase of 11% in the number of applications and referrals to 304 (2012-13: 274).

## **Northern Ireland Charity Tribunal (NICT)**

NICT was established on 1 April 2010 to hear appeals from decisions made by the Charity Commission in respect of the registration of an organisation as a charity. During 2013-14 there was an increase of 400% in appeals received to 10 (2012-13: 2).

## **Care Tribunal**

The Care Tribunal hears appeals from decisions prohibiting or restricting the employment of individuals teaching or working with children, working with vulnerable adults, or decisions concerning the registration of social workers. The Tribunal also hears appeals from decisions relating to the regulation of residential care homes, nursing homes, children's homes, nursing agencies and independent health care providers. During 2013-14 there was an increase of 33% in the number of appeals received to 4 (2012-13: 3).

## **Lands Tribunal**

The Lands Tribunal hears cases concerning the value of land and buildings and about their occupation, use or development. In 2013-14 there was a decrease of 12% in the number of cases received to 139 (2012-13: 158).

## **The Appeals Tribunal (TAS)**

TAS is responsible for welfare benefit appeals from decisions of the Social Security Agency (SSA), in addition to appeals from decisions made by the Child Maintenance Service, HM Revenue and Customs, Northern Ireland Housing Executive and Land and Property Services (LPS). In 2013-14 there was a decrease of 17% in the number of appeals received to 19,016 (2012-13: 22,859).

## **Northern Ireland Health and Safety Tribunal (NIHST)**

NIHST was established on 1 April 2010 and adjudicates on appeals from decisions made in relation to asbestos or petroleum-spirit licences. During 2013-14 the Tribunal received no appeals (2012-13: 0).

## **Health and Personal Social Services Disqualification Tribunal**

The Tribunal enquires into cases where it is represented that continued inclusion of any person in any list of practitioners prepared under Part VI of the Health and Personal Services (Northern Ireland) Order 1972 for the provision of general medical, dental, ophthalmic or pharmaceutical services would be prejudicial to the efficiency of the services. During 2013-14 the Tribunal received no appeals (2012-13: 0).

## **Rent Assessment Panel (RAP)**

The RAP, through the rent assessment committees, consider, at the request of a landlord or tenant, if the rent determined by the rent officer is appropriate. During 2013-14 there was an increase of 200% in the number of appeals to 15 (2012-13: 5).

## **Parole Commissioners Secretariat**

Over the past year the number of cases referred to the Parole Commissioners for review, recommendation and consultation have continued to increase in every type of sentence. The recalls and subsequent reviews of Extended Custodial Sentence (ECS) have increased by 47% to 148 (2012-13: 101) and Determinate Custodial Sentence (DCS) prisoners recalls and reviews have increased by 71% to 366 (2012-13: 214). The overall workload has increased this year by 17%.

The Chief Commissioner publishes an Annual Report on the work of the Parole Commissioners.

## **Enforcement of Judgments Office**

EJO provides a centralised enforcement service for civil court judgments relating to the recovery of money, goods and property.

In the reporting year 2013-14 receipts of the initiating document, Notice of Intention to Enforce a Judgment, have increased by 7% to 19,971 (2012-13: 18,602). The number of applications to enforce has increased by 23% to 12,990 (2012-13: 10,529).

The economic climate continues to have a significant impact on the work of EJO, particularly in progressing existing debt cases and the enforcement of possession judgments.

The number of applications for the possession of property has decreased by 19% in 2013-14 to 1,733 (2012-13: 2,143). The number of cases ending in the property being repossessed by EJO,

rather than by way of voluntary arrangement, continues to rise with a total of 1,629 properties being repossessed during 2013-14, compared with 1,251 in 2012-13, an increase of 30%.

EJO staff have continued to work more closely with advice bodies such as the Housing Rights Service and Advice NI and with creditors' representatives to encourage early and better engagement between creditors and debtors. It has also engaged with the Public Health Authority and the Health and Social Care Board to develop enhanced arrangements for vulnerable debtors.

The total monies recovered through the enforcement process have decreased by 6% in 2013-14 to £7.1m (2012-13: £7.5m).

Other initiatives to improve performance have continued and include:

- arrangements for the interview of all debtors;
- increased flexibility in the listing of repossession cases; and
- commencement of a review of processes and staff resource.

## **Supporting an independent Judiciary**

NICTS works in partnership with the Judiciary on a wide range of issues which impact on the courts and the tribunals, including the achievement of the performance standards set by the Lord Chief Justice (the 2013-14 performance standards can be found at Annex D).

During 2013-14 we reviewed our performance standards and in consultation with the Judiciary produced a revised set of performance standards for 2014-15.

## **Speeding up Justice**

NICTS works closely with other criminal justice agencies to improve case progression in the criminal justice system. Case Progression Officers are assigned at each court venue, whose role is to work closely with the Judiciary, prosecution and defence to improve the throughput of cases. NICTS is completing a review of the role of the Case Progression Officers and the results of this will assist in the future development of the role to ensure that we effectively support the throughput of cases, taking into consideration the implementation of the Public Prosecution Service (PPS)/ Police Service of Northern Ireland (PSNI) Victim and Witness Care Unit. Court Administrators also work closely with criminal justice agencies on regional Performance Improvement Partnerships to address local issues that are affecting performance.

Throughout 2013-14 NICTS continued to work with DOJ colleagues on a number of legislative changes being developed to tackle delay. These initiatives include the abolition of Preliminary Investigations in the Magistrates' Court, direct transfer of murder and manslaughter cases to the Crown Court, robust protocols for the identification and management of early guilty pleas plus arrangements for statutory case management. In addition, NICTS supported the development of legislation on the introduction of Prosecutorial Fines which will provide an alternative method of dealing with less serious offences. The legislation for these changes was introduced in the Northern Ireland Assembly in April 2014 through the Justice Bill (Northern Ireland) 2014.

## **Court and Tribunal Orders**

A Criminal Justice Inspectorate review of Court Orders was published on the 13 September 2013. The inspectors acknowledged the significant improvements made by NICTS in its administrative arrangements, which has resulted in an accuracy level of 99.2% in all criminal court orders. This report highlights the investment made by NICTS in reviewing checking mechanisms and implementing improvements to processes and systems.

NICTS is committed to ensuring that court orders are recorded and prepared accurately and issued in a timely way. Internal Audit carry out periodic independent, unannounced reviews of court orders as part of their inspection programme. This team have completed audits in two regional court offices during 2013-14 and the results of these reports will be reviewed and recommendations taken forward.

In Tribunals and EJO, robust quality control procedures have been reinforced to ensure administrative and information assurance processes are effective and tribunal decisions and performance standards are recorded accurately. Internal audit recommendations on the reporting of tribunal standards have also been adopted with the support of NICTS statisticians.

A quality assurance team was created within TAS to focus on building upon integrity and efficiency across administrative processes within the appeal procedure. The team is developing training strategies and new control mechanisms to improve performance and service standards for tribunal users. Administrators continued to support the President in the implementation of new initiatives to increase the volume of tribunal hearings and reduce adjournments.

NICTS continued to provide administrative support to DSD and SSA in their implementation of the Welfare Reform programme. The DSD Appeal Reform Project Board was proactive in mapping new processes to underpin the introduction of Direct Lodgement and Mandatory Reconsideration. It also conducted a review of existing processes to identify potential efficiencies to reduce delay and costs.

## **Business Processing**

NICTS recognises the importance of reviewing business processes to ensure that work is being delivered as efficiently as possible. NICTS has been piloting a Target Operating Model (TOM) in the County Court Division of Craigavon to evaluate the benefits of certain administrative functions being carried out from one location within a Division. An evaluation has shown that the TOM has delivered a number of benefits around staffing capacity and contingency although there are also a number of learning points to be considered as part of any future initiatives. Where appropriate, NICTS will build on this model to develop more effective, centralised business processing during 2014-15.

In the High Court a review of end to end business processing arrangements in divorce proceedings was completed and an improvement plan was developed which, subject to consultation with the Judiciary, will be implemented during 2014-15.

In Belfast Combined Courts, a review was commissioned of the Fixed Penalty Office to identify and implement improvements to workflow processes, improve efficiency and enhance the service delivered to customers and stakeholders. The review focussed on the processes linked to safety camera generated business known as “conditional offers”. The Fixed Penalty Office is responsible for both payment and driving licence endorsements associated with this type of penalty. The review recommended changes to processes which, following implementation, have achieved more proactive management of workflows during peak periods, reducing the time taken to endorse and return driving licences to customers from seven weeks to five days.

## **Coroners Service**

The Coroners Service for Northern Ireland currently has 43 outstanding inquests relating to 70 deaths which are classified as “legacy inquests”. These are mainly “Troubles” related cases where the deaths involved, or are alleged to have involved, the security forces, paramilitaries or allegations of collusion. The Attorney General has the power to refer additional cases for inquest and it is anticipated that this workload will grow. In May 2013, a dedicated Principal Officer was appointed to lead the creation of a Legacy Inquest Unit (LIU). A key feature of this work is

identifying, developing the business case for and securing the appropriate resources to support the disposal of legacy inquests. NICTS is continuing to work closely with DOJ colleagues in relation to the wider implications of dealing effectively with legacy cases.

## **G8 Planning**

In the months prior to the G8 Summit in June 2013, NICTS worked closely with the Office of the Lord Chief Justice (OLCJ), PSNI, PPS, Northern Ireland Prison Service (NIPS) and other criminal justice partners to plan for potential additional court business over the G8 period. Dedicated Magistrates' Courts were planned for in three venues (Belfast, Dungannon and Antrim) to deal with G8 related arrests. Normal criminal court business was significantly scaled back during the period of the G8 Summit to provide capacity due to unavailability of police officers to attend court. Legislation was implemented to temporarily amalgamate the Divisions of Antrim, Belfast, Craigavon, Londonderry, Fermanagh and Tyrone for a defined period of time (10 June – 19 July 2013) enabling first remands to be heard at any venue within the five Divisions regardless of where the offence occurred. A legislative change to permit the holding of Sunday courts for summary offences in exceptional circumstances was included in the Criminal Justice Act (NI) 2013 and with agreement of the Lord Chief Justice, an Order to permit Sunday courts commenced on Sunday 9 June 2013 for a one month period. Although the number of anticipated arrests did not materialise the G8 contingency plans demonstrated the ability to work together to respond to potential significant public disorder.

## **Fine Collection and Enforcement**

Following a number of Judicial Reviews, the Divisional Court found that the long established procedures for the enforcement of unpaid fines and other monetary penalties failed to comply fully with the legislative provisions. In particular, they found that where payments are not made in the time allowed, there should be a further court hearing (a default hearing) which the defendant can attend and make representations. As a consequence, it was necessary to suspend the enforcement of fines and to recall all unexecuted fine warrants held by PSNI.

Initially there was judicial concern about their statutory powers to implement "default hearings" for Magistrates' Court cases therefore it was necessary to seek further clarification from the Divisional Court which was obtained in December 2013. NICTS is now working with the Judiciary to review all outstanding warrants and secure resources to implement a new system of default hearings.

NICTS continued to operate its Fine Collection Scheme throughout 2013-14 to encourage debtors to pay without the need for enforcement. Fine Officer intervention resulted in 36% more debtors making payment than before the Fine Collection Scheme was introduced.

NICTS continued to work with DOJ colleagues on the fine default reform proposals being taken forward in the Fines and Enforcement Bill which will include the development of a civilianised fine enforcement service.

## **Criminal Justice Inspection Northern Ireland (CJINI) Engagement**

During 2013-14 the CJINI published a number of inspection reports regarding the work of NICTS. These included the Accuracy of Court Orders, Securing Attendance at Court, The Management of Jurors, and Corporate Governance of the Parole Commissioners. A report was also published on Domestic Violence and Abuse which included an assessment of the evaluation of the pilot court listing arrangement in Londonderry. NICTS will continue to monitor those CJINI recommendations that impact on it to ensure they are addressed and that agreed recommendations are implemented at the earliest possible date.

## Interpreter Services

NICTS arrange interpreter services for court and tribunal users who do not have English as their first language. The main languages requested in 2013-14 were Polish, Lithuanian and Mandarin. In total, there were 3,529 (2012-13: 3,698, a reduction of 5%) requests for language interpretation in courts and 428 (2012-13: 353, an increase of 21%) requests for the translation of documents. NICTS also has arrangements in place to allow for telephone interpretation across all court locations. During 2013-14 this was used on 15 occasions (16 occasions in 2012-13).

## Information Assurance

NICTS is committed to providing court users with the assurance that their information is collected, stored, transmitted and disposed of securely and in compliance with the Data Protection Act 1998 and the Freedom of Information Act 2000. Throughout the year it maintained compliance with Information Assurance policies and met DOJ's accreditation requirements. NICTS reports any incidents which it considers may result in a breach to the Information Commissioner's Office (ICO). In 2013-14 one incident was reported to the ICO.

During 2013-14 all staff completed a mandatory course and test in Protecting Information; each staff member had to score 80% to pass.

In October 2013 the protocol for the electronic exchange of information in proceedings under the Children Order (NI) 1995 came into operation. Criminal Justice Secure Mail (CJSM) is now used as the secure mechanism for sharing information between parties in Children Order proceedings. The parties involved include NICTS, NI Guardian ad Litem Agency, Director of Legal Services, Health and Social Care Trusts and Legal Representatives. CJSM is a secure e-mail solution which is available to organisations that work within the justice system.

## Deliver high quality services that support an independent Judiciary and meet the needs of our customers

### Customer Service

The NICTS Corporate Plan 2012/15 makes a commitment to deliver high quality services that meet the needs of our customers. There is a specific corporate objective to "continue to deliver quality services" which are measured through regular thematic inspections by CJINI and assessed under the CSE accreditation.

An independent assessment in April 2014 found that NICTS was continuing to meet the CSE Standard. The assessor commented that NICTS had "a deep understanding of, and commitment to, Customer Service Excellence. The commitment was displayed from Senior Management levels through to operations and front line staff."

Looking forward, NICTS will develop a customer service strategy in 2014 which will aim to deliver the CSE principles across all aspects of Agency service delivery.

### Business Improvement

During 2013 work was completed to upgrade the equipment available in three courtrooms across NICTS in order to provide enhanced facilities for Crown Court trials in Craigavon, Downpatrick and Newry court houses.

Two new remote links have been implemented to allow evidence to be provided from witnesses outside the courtroom; one is located in Lisburn PPS, the other in Ballymena Victim Support office. The technology facilitates a number of courthouses to enable witnesses to give evidence from outside the courtroom.

NICTS is a partner in the Causeway Programme which facilitates electronic communication and information sharing between the criminal justice agencies in Northern Ireland. During 2013-14 work continued with the Causeway partners to meet Causeway commitments and achieve NICTS' Service Level Agreement (SLA) resulting targets.

NICTS has successfully implemented a number of required IT changes following the judgment in the Judicial Review on fine enforcement. When funding is secured, these changes will enable the introduction of default hearings through both NICTS' business processes and IT system.

A new telephone system was implemented in the NICTS Belfast venues, providing a modern unified communications system, with external calls now being directed to NI Direct who provide key citizen facing services for NICS. This system will be implemented in all remaining venues outside Belfast during 2014-15.

## **Court Estate**

During the year the main focus of capital investment programme was to improve universal access throughout the court estate. NICTS completed a survey of court buildings to identify improvements which could be made. Work commenced to enhance inclusive access for disabled users.

On 1 May 2012, following publication of the CJINI report into the Adequacy of the Court Estate, the Minister agreed with the recommendation that an affordable and appropriate estate strategy should be developed. DOJ is leading the development of a Departmental Estate Strategy with key input from NICTS. In April 2013, following a public consultation exercise, Hearing Centres at Bangor and Larne closed and business transferred to Newtownards and Ballymena Courts respectively. The transfer of business to alternative larger court venues provides better facilities for victims and witnesses, as well as increasing utilisation levels, realising modest savings in running costs and removing unfunded capital pressure which would have been required to maintain these venues.

Limavady and Magherafelt Hearing Centres are to close following the reform of court boundaries to establish a single territorial jurisdiction which will be implemented in 2015. The Court Hearing Centre at Strabane will be retained pending further consideration as part of the overall DOJ Estate Strategy.

During 2013-14, as part of the rationalisation of leased accommodation, EJO relocated from Bedford House to NICTS headquarters in Laganside House, Belfast. This will enable significant efficiency savings in accommodation costs. In addition, the High Court Taxing Office was co-located with the Coroners Service in Mays Chambers, again delivering savings in accommodation costs.

## **Improved Services for Victims and Witnesses**

NICTS has continued to work closely with its criminal justice partners and others including those in the voluntary sector such as Victim Support, National Society for the Prevention of Cruelty to Children (NSPCC) and Women's Aid to continue to support victims, witnesses and young people and set standards for waiting times.

During 2013-14 research into the experiences of victims and witnesses in contested criminal cases has been carried out in a number of courts across the region. The fieldwork was facilitated through Victim Support and NSPCC staff. A Witness Liaison Role is to be piloted as part of the Victim and Witness Care Unit. The officer's main duty at court will be to ensure that effective communication is provided to the witness when they arrive at court and while they are waiting to give evidence. The officer will be a conduit for information between the courtroom and the witness

waiting room, providing updates on timings and possibly on case developments, if agreed by the prosecutor.

## **Children and Young People**

During 2013-14 NICTS contributed to the implementation of recommendations from the Youth Justice Review. This included a review of the Youth Court guidelines which describe arrangements for the operation and layout of the Youth Court. A training programme has been successfully completed for NICTS staff to introduce the revised guidelines and to support regular compliance monitoring at each Youth Court venue. A survey has been completed in the last quarter of the year to review compliance with the guidelines.

## **Service Improvement**

NICTS value the quality of service that is provided to customers. The complaints procedure enables us to say sorry and learn from any mistakes that may have occurred. NICTS received 103 complaints across the Agency during 2013-14. This represented a 13.4% decrease on the previous year. A total of 77.7% of complaints were responded to within the set target of 15 days with 47.6% of complaints being upheld. Many of these resulted in follow-up action to improve customer service delivery. A breakdown of complaints received and actions taken is included in the quarterly complaints reports which are published on the Agency's website.

## **Business Continuity**

The Agency has in place business continuity plans to ensure that critical business functions can be maintained. These plans are continually reviewed and updated and are available to staff on the NICTS intranet. The ICT Business Continuity and Disaster Recovery Plan was fully tested in three phases over the Summer and Autumn of 2013.

## **Outreach**

NICTS continues to promote knowledge and understanding of the justice system through its Community Outreach Programme. It is continuing work on re-launching the Education Online portal which supports classroom and individual learning about the courts and tribunals in Northern Ireland for a range of educational levels. It hosted the National Magistrates' Mock Trial Competition, the All-Ireland Advocacy Competition (which was co-sponsored by the Irish Courts Service) and a number of workshops which formed part of the Common Purpose Programme.

In addition, Downpatrick, Armagh and Enniskillen Courthouses participated in the European Heritage Open Day attracting over 400 visitors.

## **Develop and lead our people to achieve our business objectives**

NICTS is committed to ensuring that staff have the right skills and knowledge to perform their jobs effectively. In addition to the training opportunities provided to staff through the Agency's Corporate Learning Plan, NICTS continues to offer staff the opportunity to undertake a specific court and tribunal NVQ.

A revised Agency induction programme has been introduced to ensure that new entrants and staff transferring from elsewhere within NICS are fully integrated. A Job Skills Training Strategy aimed specifically at staff working in front-line service delivery has been implemented.

The Job Skills Training programme for court staff which includes the delivery of focussed training programmes has continued, together with the development and review of best practice guidance. This extends to include job shadowing and training opportunities to diversify staff skill sets and the amalgamation of tribunal business.

During 2013-14, NICTS has delivered training in a number of priority areas including dealing with sexual offence cases, processing of Family Courts, Bails and the Protocols for Children Order e-mails and Crown Court Evidence.

It has continued to work with DOJ to reduce staff sick absence levels. It agreed an NICTS absence indicator for 2013-14 of 9.3 days. This compared to the NICTS average days lost in 2013-14 of 11.0 days. The year-end projection for DOJ overall is 11.6 days against a target of 9.7 days. The NICS end of year figure is 10.0 days against a target of 9.0 days. It is estimated that only one NICS Department has achieved their target. The NICTS target for 2014-15 is 8.7 days.

## Deliver a controlled financial and commercial environment achieving value for money

### Funding

NICTS is funded principally by monies voted to DOJ and also by income generated from court fees.

### Accounting Boundary

The accounting boundary specifically excludes the funds invested by CFO and third party monies. CFO publishes separate audited financial statements. Details of income (fines, confiscation orders, fixed penalties and other money penalties) collected as an agent for the Northern Ireland Consolidated Fund (NICF) will be disclosed in the Agency's Trust Statement which is published separately from these financial statements.

### Key Events

#### O'Brien (impact on Fee Paid Judicial Office Holders)

There are currently a number of Employment Tribunal cases against NICTS from fee paid judicial office holders claiming retrospective pension rights on the basis of the O'Brien case. A UK Supreme Court hearing on 6 February 2013 ruled that a retired fee paid recorder is entitled to a pension on terms equivalent to those of a salaried circuit judge. The Judicial Pension Scheme (JPS) is the mechanism which provides for the pension entitlements of NICTS salaried Judicial Office Holders. Consistent with the accounting for salaried judicial office holders, and in accordance with Government Financial Reporting Manual (FReM) 12.2.5, NICTS accounts for employer contributions payable to JPS as they are incurred but does not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, a provision of £3.6m is recognised in the JPS accounts, of which £2.2m related to the period following the devolution of police and justice powers to the NI Assembly. NICTS have been advised that they will be required to fund this element of the provision. The timing of the cash flows will be determined in the future once final determination has been made however NICTS will be required to fund the actual payments associated with this provision. This lead case set the precedent for other stayed cases, which in addition to pension entitlements, extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions, such as annual leave, sick pay and training fees.

Provision has been made in these Accounts for the liability to fee paid judiciary in respect of the Judicial Service Award, compensatory interest, and legal claims that relate to fee paid judicial office holders' employment terms and conditions. There are also contingent liabilities arising from the pension liability in the JPS accounts associated with NICTS fee paid judicial office holders and pension and non-pension claims which have been lodged outside the time limit provided by the latest available judgments. The provision of £270k and estimated contingent liabilities of £2.3m

have been calculated based on a pension model which has been developed by the Government Actuarial Department (GAD) and a non-pension model which has been developed by the Ministry of Justice (MOJ). Further details are contained within Notes 13.5 and 19.2.

## Financial Position (Statement of Financial Position (SoFP))

The NICTS's SoFP consists primarily of non-current assets totalling £181.1m (2012-13: £192.6m). Of this, £179.0m (2012-13: £188.3m) represents land and buildings: the remainder being information technology assets, furniture and fittings, plant and machinery and intangibles.

## Results for the Year (Statement of Comprehensive Net Expenditure (SoCNE))

The SoCNE represents the net total administration and programme resources consumed during the year. The results for the year are set out in the SoCNE and are as follows:

- Net Operating Costs amounted to £46.5m (2012-13: £50.5m);
- Staff Costs of £24.4m (2012-13: £24.5m);
- Other Administrative Costs of £2.7m (2012-13: £3.4m);
- Gross Expenditure of £51.5m (2012-13: £53.7m) relating to the Agency's programme activities; and
- Operating Income of £32.0m (2012-13: £31.3m).

The number of staff employed by NICTS at the end of the year was 754 (Full Time Equivalent (FTE)) with a further 153 (FTE) employed by DSD to support TAS which is administered by NICTS. NICTS employed an average of 723 (FTE) staff during 2013-14, a decrease of 3 from 2012-13. Accommodation rentals, information technology charges, and non-cash asset related charges accounted for the majority of other administration costs.

As required by Department Accounting Officer (DAO) (DFP) 08/12 Tax Arrangements of Public Sector Appointees, NICTS undertook a review of the arrangements for making payments to individuals engaged by NICTS who are paid fees totalling over £58,200 in the financial year and are not included in the PAYE system. The number of off-payroll engagements is as follows:

Opening engagements at 1 April 2013	3
New engagements during 2013-14	-
Number onto NICTS payroll during 2013-14	-
Engagements ended during 2013-14	1
Closing engagements at 31 March 2014	2

Fees from civil court work are included in these financial statements as Accruing Resources. It is government policy that the provision of services for civil court proceedings must be self-financing, so the fees earned from this type of work must cover the cost of that provision. Note 7 shows the level of civil court costs, and the associated income generated. In 2013-14 the recovery level was 105% (2012-13: 104%).

In 2013-14 NICTS had net operating costs of £46.5m, which were £3.8m less than the net budget allocation of £50.3m. The capital spend of £1.5m was £0.2m less than the budget allocation of £1.7m.

	2013-14 Actual £'000	2013-14 Budget £'000	Variance £'000
Net Operating Costs	46,524*	50,280**	(3,756)
Capital Expenditure	1,548	1,750	(202)
<b>Overall Total Expenditure</b>	<b>48,072</b>	<b>52,030</b>	<b>(3,958)</b>

\* Includes £596k non-budgetary notional charges

\*\* Includes £334k non-budgetary notional charges

The main expenditure areas contributing to the underspend in net operating costs were as follows:

- expenditure on staff costs was underspent by £0.5m as a result of reduced Employee Benefits accrued as at 31 March 2014;
- income was under-recovered by £0.4m. This was due to the expected income from interest on the CFO stockbrokers fees not being received within 2013-14 as they are still seeking legal advice on outstanding cases (detailed within Note 13); and
- expenditure on non-cash costs was underspent by £4.0m, mainly due to the reduction in the provisions for both CFO stockbroker fees and fee paid judicial office holders (detailed within Note 13).

## Non-Current Assets

Non-current asset expenditure is detailed within Notes 8 and 9 to the financial statements. Non-current asset purchases include building enhancements, IT hardware and software, plant and equipment and furniture. As detailed in Note 8 to the financial statements, a full valuation of land and buildings was carried out at 31 March 2014 by LPS. During 2013-14 the total Net Book Value has decreased by £11.3m, mainly resulting from the property revaluations.

## Cash Flow Statement

The Cash Flow Statement provides information on how NICTS finances its ongoing activities.

The Cash Flow Statement shows a net cash outflow from operating activities of £39.6m (2012-13: £38.4m).

## Pensions and Early Departure Costs

Details about NICTS pensions and early departure costs policies are included in Notes 4 and 13 to the accounts. Details of pension benefits and schemes for Board members are included in the Remuneration Report.

## Remote Contingent Liabilities

As stated in Note 19 of the accounts there are estimated contingent liabilities of £120k in relation to legal cases pending. There are also contingent liabilities in respect of fee paid judicial office holders of £2.3m. There are unquantifiable contingent liabilities disclosed for a data breach fine, Judicial Reviews on fine enforcement and legacy inquests. In accordance with IAS 37, Provisions: Contingent liabilities and contingent assets, this requires disclosure in the accounts.

## Donations to Charity

In the current year there have been no charitable donations (2012-13: None).

## Payment within ten calendar days

NICTS seeks to comply with “The Better Payments Practice Code” for achieving good payment performance in commercial transactions. Further details regarding this are available on the website [www.payontime.co.uk](http://www.payontime.co.uk). Under this Code, the policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within ten days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. The prompt payment results for 2013-14 showed that 88.5% of invoices were paid in accordance with the terms of the standard (2012-13: 91.7%).

## Auditors

The financial statements of NICTS are audited by the Comptroller and Auditor General for Northern Ireland (C&AG).

So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

The audit of the financial statements for 2013-14 resulted in an audit fee of £104k (2012-13: £102.5k), £49k of which relates to the year-end audit of NICTS (2012-13: £47.5k), £32k (2012-13: £32k) relates to the audit of the Trust Statement, £12k (2012-13: £12k) relates to the year-end audit of the CFO, £9k (2012-13: £9k) relates to the audit of Investment Accounts and the remaining £2k (2012-13: £2k) relates to Land Purchase Accounts.

The C&AG may also undertake other statutory activities that are not related to the audit of the body’s Financial Statements such as Value for Money reports. A Value for Money audit was carried out by the Northern Ireland Audit Office (NIAO) in CFO during 2012-2013. NIAO are currently preparing the report to be published later in 2014, and will focus on the management and protection of funds on behalf of minors and patients by the Northern Ireland Funds in Court. It will consider if they are benefitting from an efficient banking and investment service, and receiving the highest standard of customer care while their assets are under the mandatory control of the courts.

## Directorships and other Significant Interests

A register is maintained by NICTS that includes details of company directorships and other significant interests held by Board members which may conflict with their management responsibilities. The register is available for public inspection upon request.

## Trust Statement

NICTS collects fines on behalf of the NICF and therefore is required, in accordance with the Accounts Direction DAO (DFP) 03/13, to produce a Trust Statement for the financial year 2013-14. The Trust Statement will separately record the revenue collected by the Agency on behalf of the NICF.

## Sustainability Reporting

NICTS has been participating with other agencies and NICS Departments since August 2009 on sustainability matters. NICTS continues to participate in the DOJ Sustainability Working Group as part of the Public Sector Energy Campaign and is aligned to the Office of the First Minister and Deputy First Minister Implementation Plan containing high level strategic targets, covering all of the NICS Departments, which impact on business supported by DOJ. The Agency is

committed to achieving annual targets under the Carbon Reduction Commitment (CRC) Scheme and associated accreditation and strives in its day to day activities towards maintaining the best possible environmental performance. Based on the figures supplied for 2013-14 it is estimated that NICTS apportionment will remain comparative to the 2012-13 costs of £30k, based on NICTS paying £12 per tonne of actual carbon used.

## **Environmental Issues**

NICTS continues to explore areas that will provide energy efficiency savings and remains committed to the principles of sustainable development and to the integration of environmental consideration into its policies and the everyday operational aspects of estate management and procurement.

## **Environmental Liabilities**

NICTS's capital commitments are detailed in Note 14 to these accounts. Given the nature of these contracts it is believed that there will be no potential environment liabilities associated.

## **Principal Risks and Uncertainties**

Risk management is integrated into the activities of NICTS by linking risk directly to the achievement of objectives. NICTS implements effective risk management arrangements, which are detailed in a Risk Management Policy Statement. These include developing, monitoring and reviewing an Agency Risk Register which identifies the key risks, those responsible for ensuring that the risks are managed, and the action that will be taken to manage them.

Risk management is championed by the Head of Business Support. Senior management are responsible for the day to day management of risk, with the Agency Board owning the overall risk management framework. Divisional Heads are responsible for ensuring the management systems in their area are robust in respect of accountability, critical challenge and oversight of risk. Risk management is taken forward as an integral part of the business planning process and is monitored on a quarterly basis.

The main risks to NICTS's business objectives in 2013-14 were:

- qualification of the 2011-12 and potential qualification of the 2012-13 Trust Statement;
- the adverse ruling in the fine default writs;
- ineffective protection and management of patients' and minors' funds;
- legacy inquests not progressing; and
- failure to operate within allocated budget.



**Jacqui Durkin**  
**Accounting Officer**  
**25 June 2014**

## PART 3 REMUNERATION REPORT

---

### Remuneration Policy

The remuneration of Senior Civil Servants (SCS) is set by the Minister for Finance and Personnel. The 2013 Senior Civil Service (SCS) pay award covered the 12 month period from 1 August 2013 to 31 July 2014 and was based on performance in respect of the reporting year 1 April 2012-31 March 2013. It was effective from 1 August 2013 and was payable to staff in post at that date.

The 2013 pay award for Civil Servants was determined by an assessment of performance using the existing performance management arrangements. Progression within the relevant pay scale applied to all satisfactory performers with no pay progression for those deemed to have underperformed in the reporting year. Staff who were identified as underperformers remained on their current pay point (albeit with revalorisation of that point) and will be subject to the arrangements in place to address underperformance.

As part of the 2013 pay award staff below the pay scale maximum for their grade, subject to satisfactory performance in the previous reporting year, moved up one point on the 2012 pay scale and were then moved across to the same numerical point on the 2013 pay scale.

Staff who were above the pay scale maximum for their grade and who were deemed to be performing satisfactorily received a non-consolidated pensionable payment of 1% of their salary, which was the equivalent value in percentage terms to revalorisation of the pay scale maximum.

### Service Contracts

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

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

The following sections provide details of the remuneration and pension interests of the Chief Executive Officer (CEO) and the Agency Board. Of those reported only Jacqui Durkin (CEO) falls within the SCS. Staff at Grade 6 and below fall within the pay settlement provided by the NICS Comprehensive Pay and Grading Review. The most recent award under this review covers the two year period from 1 August 2012 to 31 July 2014, the first stage of which was implemented on 1 August 2012, followed by a second element payable from 1 April 2013. The information on the following pages 31 to 35 is covered by the audit opinion.

**Remuneration (including salary) and pension entitlements**

	2013-14				2012-13			
	Salary	Benefits in Kind (to nearest £100)	Pension Benefits <sup>2</sup>	Total	Salary	Benefits in Kind (to nearest £100)	Pension Benefits	Total
	£'000	£100	£'000	£'000	£'000	£100	£'000	£'000
Mrs J Durkin Chief Executive Officer	70-75	-	13	80-85	65-70	-	5	70-75
Mr P Luney Head of Court Operations Division	60-65	-	10	70-75	60-65	-	7	65-70
Mrs M Kilpatrick Head of Tribunals and Enforcement Division (01/04/2013-13/10/2013)	35-40 (60-65 full year equivalent)	-	20	55-60	60-65	-	2	60-65
Ms M Morrison Head of Tribunals and Enforcement Division (02/12/2013-31/03/2014)	15-20 (50-55 full year equivalent)	-	16	30-35	-	-	-	-
Ms S Hetherington Head of Finance and Estates Division	60-65	-	13	75-80	60-65	-	15	75-80
Mr PJ Fitzpatrick* Non-Executive Director (Fee per attendance)	0-5	-	-	0-5	0-5	-	-	0-5
Mr C McKenna ** Non-Executive Director (Fee per attendance)	5-10	-	-	5-10	0-5	-	-	0-5
Band of Highest Paid Directors' Total Remuneration (£'000)		70-75				65-70		
Median Total Remuneration		22,291				24,281		
Ratio		3.25				2.78		

\* PJ Fitzpatrick, Non-Executive Director, supplies his services under the terms of a contract which commenced on 1 April 2009 and was re-appointed on 1 April 2013 until 31 March 2016; he is remunerated by way of a daily attendance fee.

\* C McKenna, Non-Executive Director, supplies his services under the terms of a contract which commenced on 1 May 2011; he is remunerated by way of a daily attendance fee.

As Non-Executive Directors, there are no entitlements to pension or other contributions from the Agency.

<sup>2</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights

## Median Salary

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

At 31 March 2014, the banded remuneration (taking into account salary, benefits in kind and bonus payments) of the highest-paid director in the Agency in the financial year 2013-14 was £70,000 - £75,000 (2012-13: £65,000 - £70,000). This was 3.25 times (2012-13: 2.78) the median remuneration of the workforce, which was £22,291 (2012-13: £24,281).

In 2013-14, one (2012-13: one) employee received remuneration in excess of the highest-paid director.

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.

During 2013-14 the ratio increased by 0.47.

## Salary

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

## Benefits in kind

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

## Bonus Payments

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 are payable to the individual. There were no bonuses in 2012-13 or 2013-14.

## Pension Entitlements

Audited Information						
Name and title	Accrued Pension at age 60 at 31/03/14 and related lump sum £'000	Real increase/ (decrease) in pension and related lump sum at age 60 £'000	CETV at 31/03/14 £'000	CETV at 31/03/13 £'000	Real increase/ (decrease) in CETV £'000	Employer contribution to partnership pension account Nearest £100
Mrs J Durkin Chief Executive Officer	25-30 plus lump sum of 75-80	0-2.5 plus lump sum of 0-2.5	412	379	8	-
Mr P Luney Head of Court Operations Division	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 0-2.5	254	233	5	-
Mrs M Kilpatrick Head of Tribunals and Enforcement Division (01/04/2013-13/10/2013)	25-30 plus lump sum of 85-90	0-2.5 plus lump sum of 2.5-5	544	498	22	-
Ms M Morrison Head of Tribunals and Enforcement Division (02/12/2013-31/03/2014)	15-20 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	273	259	10	-
Ms S Hetherington Head of Finance and Estates	0-5 plus lump sum of 5-10	0-2.5 plus lump sum of 0-2.5	50	36	8	-

## NICS Pension arrangements

Pension benefits are provided through the NICS 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 2014, public service pensions will be increased by 2.7% for pensions which began before 8 April 2013. Pensions which began after 8 April 2013 will be increased proportionately.

Employee contributions are determined by the level of pensionable earnings. The employee contribution rates for the 2014-15 year are as follows:

Members of **classic**:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	3.00%
£21,001-£30,000	4.48%
£30,001-£50,000	5.27%
£50,001-£60,000	6.06%
Over £60,000	6.85%

Members of **premium**, **nuvos** and **classic plus**:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	3.50%
£15,001-£21,000	5.00%
£21,001-£30,000	6.48%
£30,001-£50,000	7.27%
£50,001-£60,000	8.06%
Over £60,000	8.85%

Benefits in classic accrue at the rate of 1/80th of final 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 on immediately 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 Civil Service pension 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 figures 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 pension benefits 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 reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

## Real increase in CETV

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

## Compensation for loss of office

There was no compensation paid for loss of office in 2013-14.



**Jacqui Durkin**  
**Accounting Officer**  
**25 June 2014**

## PART 4 ANNUAL ACCOUNTS 2013-14

---

### Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, DFP has directed NICTS to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICTS and of its 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 FReM and in particular to:

- observe the Accounts Direction issued by DFP, 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of DOJ has designated the Chief Executive of NICTS as the Accounting Officer of NICTS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, (keeping proper records and for safeguarding the Agency's assets), are set out in the Accounting Officers' Memorandum in 'Managing Public Money in Northern Ireland' (MPMNI) issued by the DFP.

The Chief Executive of NICTS is responsible for the maintenance and integrity of the information on the NICTS website.

## NICTS Governance Statement 2013-14

### SCOPE OF RESPONSIBILITY

NICTS is an executive Agency of DOJ sponsored by the Access to Justice Directorate. As an Agency of DOJ, NICTS operates under a Framework Document that has been agreed by DOJ and DFP. The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of NICTS.

As Chief Executive I am responsible for the day-to-day operation and administration of NICTS and the leadership and management of its staff. I am accountable, through the Director of Access to Justice, to the DOJ Permanent Secretary and ultimately to the Assembly, working under the direction of the Minister and in accordance with the Framework Document. I am also accountable for the NICTS budget and the efficient and effective delivery of NICTS business.

#### The role of NICTS is to:

- provide administrative support for Northern Ireland's courts, tribunals and Parole Commissioners;
- support an independent Judiciary;
- provide advice to the Minister on matters relating to the operation of the courts and the tribunals;
- enforce civil court judgments through EJO;
- manage funds held in court on behalf of minors and patients;
- provide high quality courthouses and tribunal hearing centres; and
- act as the Central Authority for the registration of judgments under certain international conventions.

#### Strategic Context

The strategic direction of NICTS is set out in the Corporate Plan 2012-15 which supports DOJ's Corporate Plan for 2012-15. It has been developed in the context of the Programme for Government 2011-15 commitments of the Executive.

The NICTS Corporate Plan outlines the strategic objectives and the priorities underpinning them for the three year period of the plan and NICTS publishes a business plan for each year of the Corporate Plan which outlines the business delivery objectives for that year. The main focus in shaping the delivery of our objectives is to support the achievement of the Justice Minister's strategic commitment of "faster, fairer justice" and the NICTS Corporate Aim of 'Serving the Community through the Administration of Justice'. The NICTS strategic objectives are:

- to deliver efficient and effective court, tribunal and enforcement services;
- to deliver high quality services that support an independent Judiciary and meet the needs of our customers;
- to develop and lead our people to achieve our business objectives; and
- to deliver a controlled financial and commercial environment achieving value for money.

2013-14 was the second year of our Corporate Plan period. The Agency Board (“the Board”) review progress against the 2013-14 Business Plan throughout the year and progress is reported on in **Annex D** of this Annual Report.

## PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework is the system which ensures the effectiveness of the direction and control of NICTS. As Accounting Officer I have established a governance framework and management structure to support me in the management of the key risks of NICTS. The framework is not designed to eliminate all risk but to manage risk to a reasonable level. The framework is based on an ongoing process which is designed to: identify and prioritise the risks to the achievement of policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them efficiently, effectively and economically.

## GOVERNANCE FRAMEWORK AND MANAGEMENT STRUCTURE

The key management structures which support the delivery of effective corporate governance in NICTS are the:

- Agency Board;
- Finance Committee;
- Audit and Risk Committee; and
- Strategic Planning Group.

### Agency Board

The Board and Parole Commissioners provide a vital role in shaping and directing the organisation to ensure it is equipped to deliver high quality and cost effective services to court and tribunal users. The Board is responsible for business and corporate planning and reporting and the oversight of the functions of NICTS including finance, planning, performance, and policy initiatives. The Board operates within the parameters of the Framework Document and the agreed Terms of Reference. The Framework Document is published on the NICTS website.

The Board has established two formal sub-Committees to assist it in carrying out its functions which are as follows:

- Finance Committee; and
- Audit and Risk Committee.

There were no Ministerial Directions given during the year.

At the beginning of each Board meeting members are asked by me as the Chair to declare any conflicts or potential conflicts of interest. To allow members to prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed five working days before the meeting. During 2013-14 one member and one judicial representative advised of a potential conflict of interest at each of the Board meetings during the year. These potential conflicts were discussed by the Board.

Full details of the membership and attendance of the Board and its sub-Committees are shown in Tables 1-3 on pages 47-48.

### Finance Committee

The Finance Committee (“the Committee”) assist the Board with financial oversight and budgetary control. The role of Finance Director in NICTS is performed by the Head of Finance and Estates who advises the Committee on any material issues concerning financial oversight and budgetary control.

The Terms of Reference for the Committee are included in the Framework Document.

The Committee met on four occasions during 2013-14 and after each meeting the Finance Director provides a highlight report to the Board covering the main issues discussed by the Committee.

### Audit and Risk Committee

The role of the Audit and Risk Committee (“the Committee”) is to provide the Board and myself as Accounting Officer, with independent assurance over the adequacy and effectiveness of the established internal control and risk management systems within NICTS. The Committee monitors the effective implementation of all agreed audit recommendations; examines the effectiveness of the overall risk management process, and receives assurance from the NICTS Risk Co-ordinator.

The Committee operates in accordance with the Good Practice Principles Guidance for Audit Committees issued by HM Treasury in March 2007 (Revised guidance has been issued and came into effect on 1 April 2014). Although the Committee primarily considers matters within NICTS, it also ensures that the inter-relationships between it and the Departmental Audit and Risk Committee are documented and agreed, particularly where assurance is provided on matters which properly support the Departmental Governance Statement.

The Terms of Reference for the Committee are included in the Framework Document.

The Committee met on four occasions during 2013-14 and after each meeting the Chair of the Committee presents a report to the Board covering the main issues discussed by the Committee. Matters considered include:

- Changes to the Corporate Risk Register;
- NIAO Reports to Those Charged with Governance;
- Internal Audit reports;
- Internal Audit work programme;
- Head of Internal Audit’s Annual Assurance Statement;
- Annual Reports and Accounts; and
- Financial Governance updates.

### Strategic Planning Group

The Strategic Planning Group (SPG) is the decision making group for the senior executive team within NICTS. SPG takes a strategic look at the work of NICTS and consider resources, budget, business performance and operational issues. SPG meets approximately every six weeks.

## RISK MANAGEMENT AND INTERNAL CONTROL

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

### Internal Control

The system of internal control is not designed to eliminate all risk of failure but to manage risk to a reasonable level to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control has been in place in NICTS for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

NICTS has in place a range of policies and processes to ensure that it is compliant with MPMNI, policies and guidance issued by DOJ and financial delegations granted by DOJ and DFP.

### Risk Management

Risk management forms a central element of the governance framework. Risk management is championed by the Head of Business Support with the Agency Board owning the overall risk management framework.

A Risk Management Policy is in operation and Risk Co-ordinators are in place throughout NICTS. They are responsible for promoting, supporting and co-ordinating risk management in their business areas. Risk management responsibilities are included in job descriptions and there is support and provision of guidance on risk issues from the Business Support Team.

Formal branch and divisional risk management meetings take place quarterly and support the corporate risk management process. Risks are primarily identified through risk identification workshops; they are assessed in terms of their probability of occurrence and impact on the achievement of objectives and then scored and reported on accordingly. Responsibility for the management of each risk is assigned to a risk owner and recorded on the risk register along with controls in place to mitigate the risk or action plans in place to enhance the level of control. The updated risk registers record any movement of risks in terms of impact and probability of occurrence from one period to another and this enables an appreciation of how the risk has changed over time.

Risk management is considered formally by senior management through quarterly reviews of the Corporate Risk Register and Corporate Plan monitoring reports. Senior management review, recommend and pursue actions in place to manage the risks. The corporate risk appetite is set by the Board and used as a starting point for setting levels of risk tolerance. Managers and Heads of Division escalate risks which have exceeded specific risk appetites to the next level of management.

NICTS operates a process to enable escalation of risks to the DOJ Corporate Risk Register if risks breach the organisation's tolerance level.

### Information Assurance

NICTS is committed to ensuring personal data is appropriately protected with an ongoing programme of work to ensure it fulfils its obligations. NICTS complies with the DOJ Information Assurance policy and has established information assurance arrangements.

During the year a number of areas of work were taken forward with a particular emphasis on increasing staff awareness in the area of information assurance. These included mandatory on-

line training for all staff on general information assurance procedures and the new government security classifications. Additional guidance on ICT operating procedures was also provided to staff and Information Asset Owners were given specific training on their role and responsibilities.

All data loss incidents are reported in line with the established reporting procedures. In 2013-14 one data loss incident was reported to ICO and in this case they found that no further action was required. The findings from all investigated information assurance incidents are reviewed to assess if there are any lessons that should be learnt and/or policies and procedures that should be revised.

NICTS continue to monitor and review its approach to information risk management.

## REVIEW OF EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework. The Board and I receive regular reports from the Audit and Risk Committee concerning internal control, risk and governance. At the end of the reporting period, Heads of Division reviewed the stewardship statements completed by Business Managers to create a series of divisional statements from which I have been able to take assurance in respect of the management of risk and the achievement of objectives.

Internal Audit operated, and continues to operate, to the Public Sector Internal Audit Standards. It submitted and will continue to submit regular reports, including an independent opinion by the Head of Internal Audit, on the adequacy and effectiveness of the NICTS system of risk management, control and governance.

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 NICTS who have responsibility for the development and maintenance of the internal control framework as well as the comments made by the external auditors in their Report to those charged with Governance (RTTCWG) and other reports. The 2012-13 RTTCWG included only one recommendation in respect of uninvoiced tribunal income for TAS. The recommendation has been accepted by management and is fully implemented.

The Head of Internal Audit has provided overall **Satisfactory Assurance** based on the work carried out during the year. An audit plan which included ten separate reviews was agreed in March 2013 and progress against the plan was monitored by the Audit and Risk Committee throughout the year. While it is the Head of Internal Audit's overall assessment that the control environment within NICTS is 'Satisfactory', an audit completed during the year, and some from previous years, provided Limited Assurance. The implementation of audit recommendations in these audits is subject to internal audit monitoring and confirmation for all priority 1 recommendations. In the 2013-14 year Limited Assurance was given on the audit of Procurement and Contract Management. The main issues identified in this audit were:

- action is required to improve compliance with existing guidance and regulations regarding the tendering process for NICTS led contracts;
- insufficient time is built into the work plan to complete the procurement exercise;
- there is no schedule of contract reviews due to be completed in 2013; and
- there is no evidence of contractor performance assessments having been completed, other than for the three largest contracts.

Since the final report was issued, Contracts Branch state that all audit recommendations have been implemented, most as part of the Branch's own regular review of controls and systems,

except contract management training which is due to take place by October 2014. Internal Audit will carry out a follow up audit during 2014-15.

### Agency Board Effectiveness

In accordance with the Framework Document, the Board met on four occasions during the reporting period. Members completed a self-assessment questionnaire in June 2013. The exercise indicated that effective corporate governance is operating at the top level with strong commitment from all Board members. The key findings of this exercise are set out below.

- The Board is cohesive; works well as a team and has the right blend of skills. Induction and orientation processes for new members were considered to be effective and all members have confidence in the leadership role of the Chair. Members understand the strategic role of the Board and agree there is a well-developed strategy in place, however it was suggested that more of the Board's time should be dedicated to developing strategy and assessing performance;
- A clear majority understand the business targets and general aims of NICTS and agree that effective systems are in place to assess performance;
- There was strong agreement that NICTS has sound risk management processes and procedures in place to identify, review and update the Board on all risks that can be taken into account in the decision-making process;
- Working relationships with the sponsor Department and updates from the Chief Executive on meetings with key stakeholders are appropriate;
- Scoring was extremely high across all contributors indicating that members have full confidence in the Audit and Risk Committee, Internal Audit and corporate reporting.

A reassessment of the Board was initiated in June 2014 and the results will be reported to the September 2014 Board meeting.

The periodic completion of independent Board self-analysis is considered to be a useful way of enhancing effectiveness and demonstrates compliance with corporate governance best practice as recommended by MPMNI.

Information presented to the Board is fundamental for its assessment and understanding of the performance of NICTS. Information received is considered to be of a high standard and allows the Board to be kept informed of any issues that it needs to be aware of or take action on and allows the Board to effectively carry out its duties.

### Audit and Risk Committee Effectiveness

An assessment of the effectiveness of the Audit and Risk Committee was carried out by the Head of Internal Audit and the Chair of Committee in June 2013. The Committee was found to be compliant with best practice as described in the National Audit Office Checklist.

### Corporate Governance in Central Government Departments - Code of Good Practice (NI) 2013

The Corporate Governance in Central Government Departments - Code of Good Practice (NI) 2013 was published by HM Treasury and applies to DOJ. NICTS has adopted key principles as best practice where appropriate. A review of the code has identified that NICTS is compliant with key principles which are considered applicable.

## SIGNIFICANT INTERNAL CONTROL ISSUES

The following issues have been identified as significant to the organisation during 2013-14 as a result of the assurance activity. Each of the control issues has been subjected to rigorous review and plans are in place to address identified weaknesses.

### Issues resulting from the judgment in fine default Judicial Reviews

On 22 March 2013 judgment was given in five Judicial Reviews which sought to challenge the arrangements for imposing and enforcing fines and other monetary penalties. The Divisional Court found that a number of long established processes failed to comply fully with the legislative provisions. In particular, the court held that there should be a further court hearing at which the defendant can attend and make representations before a decision is made as to how any outstanding fine should be enforced.

In November 2013 a further Judicial Review was taken to clarify the enforcement procedures outlined in the Court's original judgment. As a result of this clarification, the Magistrates' Courts Rules Committee brought forward rules to prescribe the procedures to be applied in relation to these default hearings in Magistrates' Courts. These Rules came into effect on 17 February 2014. NICTS is working on the required processes and securing resources to give effect to these new arrangements. The Judiciary are also reviewing more than 21,000 outstanding Magistrates' Court cases in which fine warrants had previously been issued to PSNI but were not executed and will direct whether or not a default hearing is appropriate in each case.

In relation to the 435 Crown Court cases, default hearings were piloted in Belfast Crown Court earlier this year and will be rolled out to all other Crown Court venues.

The five Judicial Reviews have been converted to writs and are listed before the Master of the Queen's Bench Division in September 2014. The Queen's Bench will be required to consider preliminary issues around liability which is being robustly defended, and in particular potential immunity under the Crown Proceedings Act 1947. If the judge proceeds to consider an award of damages NICTS would invite the Court to use these five test cases to establish a scale which could be applied to future claims thereby avoiding the need for unnecessary litigation. However, NICTS would be required to seek approval and appropriate funding from DOJ and DFP if such a scheme was required. It is not anticipated that the test cases will be concluded before autumn 2014.

There are currently 52,987 fines (relating to 27,160 defendants) which remain unpaid after the payment due date with a value of £13.5m (£9.1m relating to Magistrates' Court and £4.4m relating to Crown Court).

The Department has established a Programme, sponsored by the Criminal Justice Board, to improve the collection and enforcement of fines in line with Ministerial priorities and which will also help address the issues highlighted above. Membership of the Fine Collection and Enforcement Programme Board includes representatives from the Core Department, NICTS, PSNI, NIPS and PBNI, and a governance and delivery framework has been developed for the following two projects:

- Fine Default and Warrant Enforcement Project - responsible for tackling the outstanding warrants position, bidding for resources required to give effect to court roles and processes, and developing new arrangements for default in consultation with the Judiciary; and
- Fine Collection and Enforcement Service Project - responsible for establishing a Fine Collection and Enforcement Service and the introduction of Supervised Activity Orders (SAOs) as an alternative to imprisonment. Collection Officers will have additional powers to encourage payment, thereby greatly reducing the number of cases going into default. Subject to having

the necessary legislation in place, it is anticipated that the new Service (including SAOs) will be operational by the end of 2015

### Trust Statement

The 2011-12 Trust Statement was qualified by NIAO because of significant issues regarding the level of impairment resulting from unexecuted warrants, an irregularity issue in relation to an alleged fraud by a PSNI officer and a lack of controls over the collection of fines on execution of a warrant by PSNI.

It is expected that the 2012-13 Trust Statement will also be qualified.

Although I am Accounting Officer for the Trust Statement, the information contained within this account is sourced from both PSNI and NICTS systems. NICTS is therefore dependent on the accuracy of information and assurances provided by PSNI regarding their processes and controls. A Service Level Agreement between myself and the Chief Constable, PSNI Accounting Officer was agreed and signed in September 2013.

The significant audit issues identified in the 2011-12 Trust Statement remain and as Accounting Officer I have been unable to obtain adequate assurance that PSNI is addressing the recommendations made by NIAO as a matter of priority. I have met with the Chair of the Departmental Audit and Risk Committee to discuss this matter.

### Official Solicitor's Office Cases

Throughout this year a number of steps have been taken to provide assurance that patient's needs and interests are protected. A comprehensive review of all patients cases under the care of the Official Solicitor (OS) has been undertaken to provide assurance that any outstanding issues or action points have been identified and escalated as appropriate. Work remains ongoing to action recommendations arising from the review exercise. An implementation plan is under development to address the shortcomings identified in the control environment and reinforce governance and oversight arrangements. Additional legal and administrative resources have been assigned to the Official Solicitors Office (OSO) to support this work.

Formal reporting arrangements have been agreed with the OS to ensure that I, as Accounting Officer, the OLCJ and Internal Audit are alerted to any incidences of financial mismanagement of patient's funds or potential fraud.

Internal Audit have planned a full audit of the OSO in the 2014-15 financial year.

### Legacy Inquests

The number of legacy inquests continues to rise with significant potential for further increase as the Attorney General continues to refer cases. DOJ has commissioned a review of the structures which support legacy issues across the Department. The response to the Council of Ministers in Europe and the Hemsworth judgment includes an Action Plan which proposes a Legacy Inquest Unit. The Strategic Outline Business Case to progress a Legacy Inquest Unit is currently going through the required approval processes within DOJ and DFP. In the meantime NICTS is scoping the Outline Business Case. At this time there is no specific funding in place for legacy work.

### Court Funds Office

CFO is currently operating an outdated bespoke computer system. Given that CFO use the system to administer funds totalling approximately £300m on behalf of vulnerable individuals, the continuity of critical CFO functions must be ensured. A Strategic Outline Business Case to replace the system has been approved by DOJ. An Outline Business Case is now being taken forward. Local contingency arrangements are in place to ensure that payments can continue to be made in

the event of a partial or short-term failure of the system. However, in the event of an irrecoverable failure in the system, CFO would be required to revert to manual systems, which would have a significant impact on the ability of the office to meet business and service requirements.

In August 2012 a High Court judgment indicated that some historical deductions of stockbroker fees from CFO client accounts may have been unlawful. I, as Accountant General of CFO, appealed the judgment and the Court of Appeal judgment was delivered on 30 September 2013. The Court of Appeal has ruled that historical deductions of stockbroker management fees were lawful, provided that they had been authorised by the court. An exercise to review court orders to ascertain whether CFO had the necessary authority to deduct the fees has been completed. Legal advice on some aspects of the historic deductions is outstanding, however, legal advice indicates that stockbroker fees paid by NICTS prior to a legislative change may be recovered from clients and former clients of CFO.

### Non achievement of Court, Tribunal and Enforcement Performance Standards

During 2013-14 NICTS continued to monitor the risk of non-achievement of court, tribunal and enforcement performance standards. However, not all of the tribunal and enforcement performance standards have been met due to a significant increase in volumes of cases disposed, complexity of enforcement cases involving numerous creditors, debtors ability to pay, limited staff contingency arrangements, lack of sufficiently trained staff, a hold on filling vacancies and manual processes. The 2013-14 Business Plan committed NICTS to meeting the business performance standards as set out in Annex D. These standards represent a mixture of administrative targets which are wholly within the control of NICTS and court performance standards which are set by the Lord Chief Justice or Tribunal President where control sits primarily with the Judiciary (e.g. listing and disposal of business). Throughout this year a number of steps have been taken to ensure continual improvement in performance is achieved including:

- monthly monitoring of standards;
- engagement with Tribunal Presidents, stakeholders and Users Forum;
- additional temporary resources; and
- overtime in EJO and TAS.

### Audit Recommendations

There is currently only one priority one Internal Audit recommendation that has not yet been fully implemented. This recommendation is in respect of the limited assurance reported from the 2012-13 Internal Audit review of CFO. It highlighted the importance of the computer system which administers funds on behalf of vulnerable individuals and recommended the replacement of the existing bespoke computer system which was first introduced some seventeen years ago and which has now not been significantly updated for some time. In addition it recommended putting contingency arrangements in place to ensure continuity of payments in the event of this computer system not being available over an extended period of time. The implementation of this recommendation is on-going. All outstanding recommendations are monitored by the Audit and Risk Committee every six months and Internal Audit is satisfied that appropriate action is being taken on this outstanding priority one recommendation.

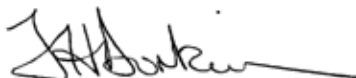
A VFM audit was completed in year by NIAO in CFO. The final report is due to be issued on 1 July 2014. It will conclude that current arrangements and existing legislation for managing and protecting funds in court do not ensure value for money or proper accountability for clients' funds. We are considering the recommendations included in the report and will agree an action plan with DOJ to implement as many of those recommendations as are affordable and possible

within legislative and other constraints. We will also consider an action plan for the longer term to address some of the legislative limitations.

The 2013-14 Annual Audit Plan was endorsed by the Audit and Risk Committee who monitor progress during the year towards completion of the plan and despite significant staffing shortfalls the plan has been substantially completed.

## **ACCOUNTING OFFICER STATEMENT ON ASSURANCE**

NICTS has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity and by an Independent Internal Audit team operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering all NICTS systems over time. The Head of Internal Audit provides me with an Annual Report and his professional opinion on the level of assurance that he can provide based on the work done. For the 2013-14 year he has provided overall Satisfactory Assurance.



**J Durkin**  
**Accounting Officer**  
**25 June 2014**

**Table 1 – Membership and attendance at Agency Board for 2013-2014**

Members Name and Position	Date of Meeting			
	Jun 2013	Sep 2013	Dec 2013	Mar 2014
Mrs J Durkin CEO and Chairperson	✓	✓	✓	✓
Mr P Luney Head of Court Operations Division	✓	✓	✓	✓
Mrs M Kilpatrick Head of Tribunal and Enforcement Division (until 13 October 2013*)	✓	✓	On secondment	On secondment
Ms M Morrison Acting Head of Tribunal and Enforcement Division (from 2 December 2013)	Not Appointed	Not Appointed	✓	✓
Ms S Hetherington Head of Finance and Estates Division	✓	X	✓	✓
Mr PJ Fitzpatrick Non-Executive Director	✓	✓	✓	✓
Mr C McKenna Non-Executive Director	✓	✓	✓	✓
Mr D A Lavery DOJ Representative	✓	✓	✓	✓
Judge McFarland Recorder of Belfast Judicial Representative	✓	✓	X	X
Mrs F Bagnall Presiding District Judge Judicial Representative	✓	✓	✓	✓
Mr C MacLynn President of the Appeals Tribunal Judicial Representative	✓	✓	✓	X
The Honourable Mr Justice Deeny Judicial Representative	✓	X	✓	✓

\* Mrs M Kilpatrick left NICTS on secondment to the Office of the First and Deputy First Minister (OFMDFM) effective from 14 October 2013.

**Table 2 – Membership and attendance at Finance Committee for 2013-2014**

Members Name and Position	Date of Meeting			
	Jun 2013	Sep 2013	Oct 2013	Mar 2014
Mrs J Durkin CEO and Chairperson	✓	✓	✓	✓
Mr P Luney Head of Court Operations Division	✓	✓	✓	✓
Mrs M Kilpatrick Head of Tribunal and Enforcement Division (until 13 October 2013*)	✓	X	On secondment	On secondment
Ms M Morrison Acting Head of Tribunal and Enforcement Division (from 2 December 2013)	Not Appointed	Not Appointed	Not Appointed	✓
Ms S Hetherington Head of Finance and Estates Division	✓	✓	✓	✓
Mr C McKenna Non-Executive Director	✓	✓	✓	✓
The Honourable Mr Justice Deeny Judicial Representative	✓	✓	X	✓

\* Mrs M Kilpatrick left NICTS on secondment to the Office of the First and Deputy First Minister (OFMDFM) effective from 14 October 2013. Ms M Morrison is covering this post in her absence.

**Table 3 – Membership and attendance of the NICTS Audit and Risk Committee for 2013-2014**

Members Name and Position	Date of Meeting			
	Apr 2013	Jun 2013	Sep 2013	Dec 2013
Mr PJ Fitzpatrick Chairman	✓	✓	✓	✓
Mr Justice Burgess Judicial Representative	✓	✓	✓	✓
Mr G Wilkinson Non-Executive Member	✓	✓	✓	✓

## 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 Courts and Tribunals Service for the year ended 31 March 2014 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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 Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. 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 Courts and Tribunals Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Courts and Tribunals Service; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### Opinion on regularity

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

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Courts and Tribunals Service's affairs as at 31 March 2014 and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and

- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel 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 Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Chief Executive's Report and Strategic Report 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 Governance Statement 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

1 July 2014

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2014

				2013-14	Restated 2012-13*
	Note	Staff Costs £'000	Other Costs £'000	Income £'000	Total £'000
<b>Administration Costs</b>					
Staff costs	4	2,936			3,704
Other administration costs	5		2,680		3,446
Income	7			(490)	(620)
<b>Programme Costs</b>					
Staff costs	4	21,417			20,845
Programme costs	6		51,519		53,725
Income	7			(31,538)	(30,648)
<b>Totals</b>		<b>24,353</b>	<b>54,199</b>	<b>(32,028)</b>	<b>50,452</b>
<b>Net Operating Cost</b>	3			<b>46,524</b>	<b>50,452</b>

## Other Comprehensive Expenditure

for the year ended 31 March 2014

	Note	2013-14 £'000	Restated 2012-13 £'000
Net Operating Cost		46,524	50,452
<b>Items that will not be reclassified to net operating costs:</b>			
Net loss on revaluation of Property, Plant and Equipment	8	4,460	8,491
Net (gain) on revaluation of Intangibles	9	(16)	(33)
Actuarial (gain)/ loss on pension liability	13	(100)	400
Machinery of government**		-	459
<b>Total Comprehensive Expenditure for the year ended 31 March 2014</b>		<b>50,868</b>	<b>59,769</b>

The notes on pages 55 to 86 form part of these accounts.

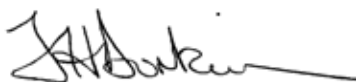
\* 2012-13 has been restated to reflect a prior year adjustment as detailed in Note 25.

\*\* Intra-Departmental transfer of the Parole Commissioners which is only required to be reflected as a Machinery of Government transfer from 01 April 2012.

## Statement of Financial Position

as at 31 March 2014

	Note	2013-14 £'000	Restated 2012-13* £'000	Restated 1 April 2012 £'000
<b>Non-current assets:</b>				
Property, plant and equipment	8	180,125	191,414	206,137
Intangible assets	9	925	1,164	1,236
<b>Total non-current assets</b>		<b>181,050</b>	<b>192,578</b>	<b>207,373</b>
<b>Current assets:</b>				
Trade and other receivables	10	7,167	7,206	6,241
Cash and cash equivalents	11	1,308	1,355	633
<b>Total current assets</b>		<b>8,475</b>	<b>8,561</b>	<b>6,874</b>
<b>Total assets</b>		<b>189,525</b>	<b>201,139</b>	<b>214,247</b>
<b>Current liabilities:</b>				
Cash and cash equivalents	11	(389)	(1,332)	-
Trade and other payables	12	(17,243)	(15,493)	(12,416)
Provisions	13	(1,912)	(4,902)	(4,828)
<b>Total current liabilities</b>		<b>(19,544)</b>	<b>(21,727)</b>	<b>(17,244)</b>
<b>Non-current assets less net current liabilities</b>		<b>169,981</b>	<b>179,412</b>	<b>197,003</b>
<b>Non-current liabilities:</b>				
Provisions	13	(4,244)	(4,990)	(3,727)
Other payables	12	(18,836)	(19,870)	(20,813)
<b>Total non-current liabilities</b>		<b>(23,080)</b>	<b>(24,860)</b>	<b>(24,540)</b>
<b>Assets less liabilities</b>		<b>146,901</b>	<b>154,552</b>	<b>172,463</b>
<b>Taxpayers' equity:</b>				
General fund		49,746	49,646	56,201
Revaluation reserve		97,155	104,906	116,262
<b>Total taxpayers' equity</b>		<b>146,901</b>	<b>154,552</b>	<b>172,463</b>



**J Durkin**  
**Accounting Officer**  
**25 June 2014**

The notes on pages 55 to 86 form part of these accounts.

\* 2012-13 has been restated to reflect a prior year adjustment as detailed in Note 25.

## Statement of Cash Flows

for the year ended 31 March 2014

	Note	2013-14 £'000	Restated 2012-13* £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(46,524)	(50,452)
Adjustment for non-cash transactions	5, 6	6,353	10,187
Decrease /(increase) in trade and other receivables	10	39	(965)
(Less)/add movements in receivables relating to items not passing through the SoCNE		(160)	275
Increase in trade payables	12	716	2,134
Add movements in payables relating to items not passing through the SoCNE		600	1,282
Use of provisions	13	(625)	(731)
Machinery of Government adjustments		-	(81)
<b>Net cash outflow from operating activities</b>		<b>(39,601)</b>	<b>(38,351)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8, 12	(804)	(2,539)
Purchase of intangible assets	9, 12	(284)	(460)
Proceeds of disposal of property, plant and equipment	8	-	31
<b>Net cash outflow from investing activities</b>		<b>(1,088)</b>	<b>(2,968)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		34,090	33,485
From the Consolidated Fund (non-supply)		8,426	8,077
Capital element of payments in respect of finance leases and PFI contracts		(943)	(854)
<b>Net financing</b>		<b>41,573</b>	<b>40,708</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>884</b>	<b>(611)</b>
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		199	2
Payments of amounts due to the Consolidated Fund		(187)	(1)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		896	(610)
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>23</b>	<b>633</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>919</b>	<b>23</b>

The notes on pages 55 to 86 form part of these accounts.

\* 2012-13 has been restated to reflect a prior year adjustment as detailed in Note 25.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2014

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
<b>Balance at 31 March 2012</b>		57,802	116,262	<b>174,064</b>
Prior period adjustment	25	(1,601)	-	(1,601)
<b>Restated balance at 1 April 2012</b>		<b>56,201</b>	<b>116,262</b>	<b>172,463</b>
<b>Changes in taxpayers' equity for 2012-13</b>				
Funding from Parent		33,485	-	33,485
Consolidated Fund Standing Services	6, 12	8,077	-	8,077
Comprehensive Expenditure for the Year		(50,452)	-	(50,452)
Non-cash charges – auditor's remuneration	5, 6	103	-	103
Non-cash charges – actuarial loss	13	(400)	-	(400)
Non-cash charges – notional costs	5	193	-	193
Net loss on revaluation of non-current assets	8, 10	-	(8,458)	(8,458)
Machinery of government		(463)	4	(459)
Transfers between reserves	*	2,902	(2,902)	-
<b>Balance at 31 March 2013</b>		<b>49,646</b>	<b>104,906</b>	<b>154,552</b>
<b>Changes in taxpayers' equity for 2013-14</b>				
Funding from Parent		34,090	-	34,090
Consolidated Fund Standing Services	6, 12	8,426	-	8,426
Comprehensive Expenditure for the Year		(46,524)	-	(46,524)
Non-cash charges – auditor's remuneration	5, 6	104	-	104
Non-cash charges – actuarial gain	13	100	-	100
Non-cash charges – notional costs	5	597	-	597
Net loss on revaluation of non-current assets	8, 10	-	(4,444)	(4,444)
Transfers between reserves	*	3,307	(3,307)	-
<b>Balance at 31 March 2014</b>		<b>49,746</b>	<b>97,155</b>	<b>146,901</b>

\*The transfer between reserves of £3.3m (2012-13: £2.9m) relates to the movement of realised depreciation resulting from the revaluation of assets.

The notes on pages 55 to 86 form part of these accounts.

## Notes to the Agency Resource Accounts

### 1.0 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2013-14 FReM and the Accounts Direction issued by DFP. 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 NICTS for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention as modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

The accounts are stated in sterling, which is the NICTS functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£'000).

#### 1.2 Accounting Boundary

These accounts incorporate the core activity of NICTS.

The funds invested by CFO (Funds in Court) are specifically excluded from NICTS accounts following DFP guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by CFO are included in Note 22.

Financial information about CFO may be obtained from their separately published annual accounts.

Details of income collected as an agent for NICF will be disclosed in the Agency's Trust Statement which is published separately from these financial statements.

#### 1.3 Property, Plant and Equipment

NICTS holds title to the land and buildings shown in the accounts with the exception of Laganside Courts Complex which is leased under the PFI Contract (see Notes 8 and 16).

Land has been included within the SoFP on the basis of open market value for existing use. Due to the specialised nature of courthouses they are included within the SoFP at depreciated replacement cost. Other buildings are included within the SoFP on the basis of existing use value. Land and buildings surplus to requirements are valued on the basis of open market value less any directly attributable selling costs. Antiques are professionally valued every five years and were revalued at 31 March 2014 by John Ross & Co. (Member of the Irish Auctioneers and Valuers Institute). All other assets are included at depreciated replacement cost.

Professional valuations of land and buildings take place at least once every five years in accordance with IAS 16 Property, Plant and Equipment and appropriate indices are applied to revalue in intervening years. Land and buildings were valued by LPS of DFP at 31 March 2014.

Other property, plant and equipment have been stated at their value to the business by reference to Office for National Statistics (ONS) indices. The indices for other property, plant and equipment

were obtained from ONS MM22 Price Index Numbers for Current Cost Accounting as at March 2014.

NICTS capitalisation threshold is £1,000 and individual assets below this amount are expensed through the SoCNE.

## 1.4 Intangible Assets

Expenditure on intangible assets consists of computer software and licences and the associated costs of implementation are capitalised where expenditure of £1,000 or more is incurred. Computer software and licences are amortised over the shorter of the term of the licence and the useful economic life.

## 1.5 Depreciation

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. Assets in the course of construction are depreciated from the point at which the asset is brought into use. A further adjustment is made for any backlog depreciation arising from the requirement to value assets by reference to current costs and from this the backlog depreciation is posted to the revaluation reserve.

No depreciation is provided on land since it has unlimited or very long estimated useful life. Useful lives are normally in the following ranges:

Land	- Freehold	Not depreciated
	- Leasehold	Not depreciated
Buildings	- Freehold	Individually assessed
	- Leasehold	Period of lease
Furniture and fittings		10 years
Plant and machinery		5 years
Computer equipment		3-7 years
Intangible assets – Software licences		3 years
Computer software		3 years
Motor vehicles		3 years
Antiques (non-operational)		Not depreciated

Additions to assets will be depreciated from the month of acquisition. Disposals from assets will not be depreciated in the month of disposal.

Antiques (non-operational) are included in the furniture and fittings section in property, plant and equipment (Note 8).

## 1.6 Inventory

Inventory of consumable stores held by NICTS are not considered material and are written off in the SoCNE as they are purchased.

There was no inventory held in 2013-14.

Assets seized by EJO are not included in inventories on the basis that they are not owned by NICTS, but are held for resale in settlement of third party creditors. Third party assets held by EJO at the year end are disclosed in Note 22 under Third Party Inventory Assets.

## 1.7 Operating Income

Operating income is income that relates directly to the operating activities of NICTS. Operating income comprises fees and charges for services provided to external customers, rents receivable, and miscellaneous receipts.

Income is recognised in the period in which it is earned in the SoCNE and is accrued or deferred as necessary. Operating income is stated net of VAT.

Fine income is not treated as accruing resources for the purposes of these accounts. All fine income is recorded in the Trust Statement and paid to the NICF via DOJ as Consolidated Fund Extra Receipts (CFER's). An analysis of fines collected is detailed within Note 12.3.

## 1.8 Administration and Programme Expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs guidance set out in the most recent guidance on Estimates issued by DFP.

Administration costs reflect the costs of running NICTS and include expenditure on administrative staff and associated costs including accommodation, information technology, communications and office supplies.

Programme costs reflect the costs of related service delivery costs for operating, managing and maintaining the courts. It includes staff costs and administration costs where they directly relate to service delivery.

## 1.9 Operating Leases

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

## 1.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS (NI)) that are described at Note 4. The defined benefit schemes are unfunded, multi-employer defined benefit schemes. NICTS 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 (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, NICTS recognises the contributions payable for the year.

## 1.11 Early Departure Costs

NICTS meets the additional costs of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS (NI), over the period between early departure and normal retirement date. NICTS provides for this in full, when the early retirement programme becomes binding on the organisation, by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.8% in real terms.

Pension liabilities may arise in respect of provisions for lump sum early departure costs and the balance of any unpaid Accruing Superannuation Liability Charges (ASLC).

## 1.12 Value Added Tax (VAT)

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.13 Private Finance Initiative (PFI) Transactions

DFP has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure, and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of the International Financial Reporting Standards Interpretations Committee Update (IFRIC 12). NICTS therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI assets, including replacement of components; and
- c) Payment for finance (interest costs).

#### Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'Programme costs'.

#### PFI Assets

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17 Leases. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Agency approach for each relevant class of asset in accordance with the principles of IAS 16.

#### PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the 'sum of digits' methodology to the anticipated total interest due over the life of the contract. This is charged to 'Programme costs' within the SoCNE.

Further details of current on-going agreements are shown in Note 16 to the accounts.

### 1.14 Provisions

NICTS provides for legal or constructive obligations, which are of uncertain timing or amount at the SoFP 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 general provision discount rates as set out by HM Treasury which varies by the term of the liability, as shown in the table below:

Rate	Term	Real Rate
Short-term	Up to 5 years	-1.90%
Medium-term	5 to 10 years	-0.65%
Long-term	Over 10 years	2.20%

Further details on provisions are contained in Note 13.

## 1.15 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent liabilities and contingent assets, NICTS discloses for Assembly reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which are required to be reported to the Assembly in accordance with the requirements of MPMNI.

There were no contingent liabilities arising during the period which required reporting to the Assembly.

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

Further details of contingent liabilities are contained within Note 19.

## 1.16 Third Party Assets

Third party assets are assets for which NICTS acts as custodian or trustee, but in which neither NICTS nor public sector more generally has a direct beneficial interest in. Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of NICTS third party assets are provided in Note 22.

## 1.17 Critical accounting estimates 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 NICTS' 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.

### (i) Depreciation of property, plant and equipment

Depreciation 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 estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.5.

### (ii) Impairment of property, plant and equipment and intangibles

Where there is an indication that the carrying value of items of property, plant and equipment or intangibles may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset.

### (iii) Judicial Service Award

NICTS accounts for pension and other post-retirement benefits in accordance with IAS 19 Employee benefits. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details on the pension provision are contained in Note 13.

## (iv) Deferred income

NICTS accounts for deferred income in accordance with IAS 18 Revenue. Fee income or revenue is recognised in the accounting period in which services are rendered. Any fee income which is received prior to delivery of the service is treated as deferred income within the accounts. The calculation of deferred income is based on estimates of the time taken to dispose of cases (within High Court, County Court and Magistrates Court) and the duration of enforcement activity (within EJO). Average time statistics for the different case types are obtained annually.

## (v) Fee Paid Judicial Office Holders

In respect of fee paid judicial office holders, the provisions relating to the Judicial Service Award, compensatory interest, and legal claims that relate to fee paid judicial office holders' employment terms and conditions are subject to a degree of uncertainty as they are calculated using assumptions many of which are due to be appealed at the Employment Appeal Tribunal. In addition, as the provisions relating to the Judicial Service Award and the compensatory interest are derived from the JPS fee paid pension entitlement, a level of uncertainty also stems from the pension liability actuarial assumptions adopted. Further information on these provisions is set out in Note 13.

## 1.18 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.

### Financial Assets

NICTS has financial instruments in the form of trade receivables, 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.

Financial assets within trade and other receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables.

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 and have an original maturity of three months or less.

NICTS assesses at each SoFP 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 SoCNE 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 SoCNE to the extent that a provision was not previously recognised.

## **Financial Liabilities**

NICTS 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.

### **1.19 Employee Benefits including Pensions**

Under the requirements of IAS 19, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2014. It is not anticipated that the level of untaken leave will vary significantly from year to year.

NICTS has recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities for both administration and programme staff across NICTS.

Note 4: Staff numbers and related costs includes information on employee benefits associated with pensions.

### **1.20 Segmental Reporting**

Under the requirement of IFRS 8 ‘Operating Segments’ - Disclosures (amendment) NICTS must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. ‘Total Assets’ are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the chief operating decision maker. As total assets for segments are not regularly reported to the chief operating decision maker (currently defined as Jacqui Durkin) NICTS has adopted this amendment. The amendment does not have a material impact on NICTS financial statements. Details of the reporting segments are contained within Note 3.

### **1.21 Prior Period Adjustment**

A thorough review of the PFI model indicated the indexation on the availability charge was under estimated over the life of the PFI contract which resulted in the total liability being understated. This was a historical error from the commencement of the PFI contract in 2001.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the adjustment associated with the review has arisen due to an error in the application of the NICTS accounting policy. On that basis the accounting adjustment has been treated as a prior period adjustment as set out in Notes 2 and 25.

The overall financial impact resulted in an adjustment of £199k for 2013/14, an adjustment of £61k in 2012/13 and a prior year adjustment of £1.6m.

## 1.22 Accounting standards, interpretations and amendments to published standards and FReM – issued and effective in 2013-14 for the first time

Chapter in FReM 2013-14	Area affected	Description of revision
2	IAS 1 - Presentation of financial statements (Other Comprehensive Income (OCI)) (amendment)	<p>Requires items of OCI to be grouped on the basis of whether they might at some point be reclassified ('recycled') from OCI to profit (e.g. cash flow hedges) or where they will not (e.g. gains on property revaluation). This will make it clearer to users what their potential effect on profit or loss will be in future periods, notably in light of improved disclosure of financial instruments and pensions, and where there will be no impact.</p> <p>Amendments also allow simplified reporting for discontinued operations and OCI tax grouping.</p> <p>The FReM application of the IAS 1 amendments interpreted for terminology and adapted for the public sector context is effective from 1 April 2013. This requires a single Statement of Comprehensive Net Expenditure rather than separate Other Comprehensive Expenditure, unless agreed by the Relevant Authority.</p>
6	IAS 16 - Property, Plant and Equipment (amendment)	<p>Classification of servicing equipment including items such as spare parts, stand-by equipment and servicing equipment are recognised under IAS 16 when they meet the definition of property, plant or equipment. They are otherwise classified as inventory under IAS 2 Inventories.</p> <p>The FReM applies this change in full.</p>
10	IAS 19 - Post employment benefits (pensions) (amendment)	<p>The amended IAS 19 introduces a number of changes including:</p> <p><b>Recognition</b> - the elimination of the option to defer the recognition of gains and losses resulting from defined benefit plans (the 'corridor approach');</p> <p><b>Presentation</b> - the elimination of options for the presentation of gains and losses relating to those plans; and</p> <p><b>Disclosures</b> - the improvement of disclosure requirements that will better show the characteristics of defined benefit plans and the risks arising from those plans.</p> <p>The corridor approach is not permitted by the FReM so the main impact of the change is not relevant.</p> <p>There is an impact on defined benefit pension scheme accounts and other entities consolidating defined benefit schemes due to the new presentation and disclosure requirements. Entities may also be impacted by modifications to accounting for termination benefits.</p>

NICTS has reviewed the remaining standards, interpretations and amendments to published standards and FReM that became effective during 2013-14. The adoption of these standards are either not relevant to its operations or have not had a significant impact on its financial position or results.

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

NICTS has reviewed the additional or revised accounting standards and new (or amendments to) interpretations contained within the FReM 2013-14 and considers that these changes are not relevant to its operations.

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2014 or later periods, but which NICTS has not adopted early. Other than as outlined in the table below, NICTS considers that these standards are not relevant to its operations.

<b>Standard</b>	IFRS 13 - Fair Value Measurement (new)
<b>Description of revision</b>	<p>IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise).</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements. The standard requires fair value to be measured using the most reliable data and inputs available to determine the exit price for an asset / liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on.</p> <p>To ensure transparency over the differing quality of inputs used to determine fair value, the standard has established a hierarchy for input quality. Level 1 inputs (highest quality) are published prices available in an active market; Level 2 inputs are observable data available in a non-active market; and Level 3 inputs (lowest quality) are all other inputs, which are mostly unobservable.</p> <p>Entities are required to use the most appropriate inputs available to them in determining fair value. The inference is that the higher the quality, the more appropriate the input.</p> <p>IFRS 13 requires additional disclosures where Level 3 inputs are used to assess fair value, to give readers an understanding.</p>
<b>Effective date</b>	1 January 2013 (EU adopted)
<b>Comments</b>	The application of IFRS 13 is subject to further review by HM Treasury and the other Relevant Authorities following the consultation which took place in 2013.

## 2. Prior Year Adjustment (impact on the accounts)

### 2.1 Reconciliation of reported taxpayers' equity for the year ended 31 March 2013 as a result of a prior year adjustment

	General Fund £'000	Revaluation Reserve £'000	Total £'000
Taxpayers' Equity at 1 April 2013 (as originally stated)	51,186	104,906	156,092
Adjustments:			
PFI Liability	(1,540)	-	(1,540)
Taxpayers' Equity at 1 April 2013 (restated)	<b>49,646</b>	<b>104,906</b>	<b>154,552</b>

### 2.2 Reconciliation of reported net operating cost for the year ended 31 March 2013 as a result of a prior year adjustment

	Note	£'000
Net operating cost for 2012-13 (as originally stated)	25	50,513
Adjustments:		
PFI Liability	25	(61)
Net operating cost for 2012-13 (restated)		<b>50,452</b>

Refer to Note 25 for a reconciliation of all adjustments to the SoCNE.

During the period, the following change took place:

#### 1) PFI Liability

The total liability over the life of the PFI contract was identified in the year as being underestimated, resulting in a prior year adjustment to the comparative figures.

#### Impact on Financial Statements

The tables above summarise the overall impact on corresponding amounts in the SoCNE and SoCTE, with more detailed information within Note 25.

## 3. Analysis of Net Expenditure by Reporting Segment

NICTS operating segments are determined by the services provided both to external and internal customers.

	2013-14 £'000			Restated 2012-13 £'000		
Aim	Gross	Income	Net	Gross	Income	Net
Segment 1	60,964	(31,872)	29,092	58,599	(30,643)	27,956
Segment 2	3,691	(15)	3,676	8,670	(625)	8,045
Segment 3	13,897	(141)	13,756	14,451	-	14,451
Net Operating Costs	<b>78,552</b>	<b>(32,028)</b>	<b>46,524</b>	<b>81,720</b>	<b>(31,268)</b>	<b>50,452</b>

Segment 1 Operations

Segment 2 Business Support

Segment 3 Office of the Lord Chief Justice

#### 4. Staff numbers and related costs

##### Staff costs comprise:

			2013-14 £'000	2012-13 £'000
	Total	Permanently employed staff	Others	Total
Wages and salaries	19,201	18,723	478	19,575
Social security costs	1,400	1,400	-	1,329
Other pension costs	3,752	3,752	-	3,645
<b>Sub Total</b>	<b>24,353</b>	<b>23,875</b>	<b>478</b>	<b>24,549</b>
Less recoveries in respect of Outward secondments	(449)	(449)	-	(604)
<b>Total Net Costs*</b>	<b>23,904</b>	<b>23,426</b>	<b>478</b>	<b>23,945</b>

\* Of the total, £Nil has been charged to capital (2012-13: £Nil)

##### Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

			2013-14 Number	2012-13 Number
Segment	Total	Permanent staff	Others	Total
1 – Operations	584	569	15	582
2 – Business Support	99	94	5	107
3 – Office of the Lord Chief Justice	40	40	-	37
<b>Total</b>	<b>723</b>	<b>703</b>	<b>20</b>	<b>726</b>

In 2013-14 all pension contributions were to the PCSPS (NI). PCSPS (NI) is an unfunded multi-employer defined benefit scheme but NICTS is unable to identify its share of the underlying assets and liabilities. The pension scheme liability reported in the DFP Superannuation and Other Allowance Resource Accounts last year was at 31 March 2010, however work is ongoing to provide a report on an updated valuation as at 31 March 2012 for the basis of the actuarial valuation and rolled forward to the reporting date of the DFP Superannuation and Other Resource Accounts for 2014.

For 2013-14, employers' contributions of £3,672k were payable to the PCSPS (NI) (2012-13: £3,945k) at one of four rates in the range 18.0% to 25.0% (2012-13: 18.0% to 25.0%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2014-15, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions are age-related and range from 3% to 12.5% of pensionable pay (2012-13: 3% to 12.5%). Employers also match employee contributions up to 3% (2012-13: 3%) of pensionable pay. In addition, employers' 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.

As at 31 March 2014, no employees of NICTS opted for a partnership pension account. Employer's contributions were therefore £Nil (2012-13: £Nil).

## Exit Packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the following table:

Exit Package cost band	2013-14			2012-13
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
< £10,000	-	-	-	1
£10,000 - £25,000	-	2	2	1
£25,000 - £50,000	-	-	-	-
£50,000 - £100,000	-	-	-	-
£100,000 - £150,000	-	-	-	-
£150,000 - £200,000	-	-	-	-
<b>Total number of exit packages</b>	-	2	2	2
<b>Total Resource Cost £</b>	-	35,922	35,922	16,438

During 2013-14 two members of staff (2012-13: two) opted to leave under an early departure scheme. The resource impact was £35,922 (2012-13: £16,438).

## Ill-Health retirement

During 2013-14 one individual (2012-13: 3) retired on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £1,963 (2012-13: £4,981).

## Judicial Office Holders

Judicial office holders are mainly covered by the provisions of the JPS. The terms of most of the pension arrangements are set out in (or in some cases are analogous to) the provisions of two Acts of Parliament, the Judicial Pensions Act 1981 and the Judicial Pensions & Retirement Act 1993 (JUPRA). The JPS is an unfunded public service scheme, providing pensions and related benefits for members of the Judiciary. The costs of benefits accruing for each year of service is shared between the Appointing Bodies and the judicial office-holders.

For the Appointing Bodies their contributions rate was 32.15% of pensionable pay (2012-13: 32.15%), this includes an element of 0.25% (2012-13: 0.25%) as a contribution towards the administration costs of the scheme. For judicial office-holders their share was 1.8% or 2.4% of pensionable pay (2012-13: 1.8% or 2.4%). Judicial office holders in the 1981 scheme pay contributions of 2.4% for a maximum of 15 years or 1.8% for 20 years and those in the 1993 scheme pay contributions of 1.8% for a maximum of 20 years (subject to an earnings cap).

The Pensions Act 2011 amended the judicial pension legislation to allow the taking of contributions towards the cost of the personal pension for those judicial office holders who have not yet accrued full service. The Judicial Pensions (Contributions) Regulations 2012 determined the rate of the personal pension contribution (PPC) which was 1.28% of gross salary (the pension cap does not apply to the PPC). The contributions commenced from 1 April 2012 in line with other public service pension schemes. Those members who had accrued full service prior to 1 April 2012 did not have PPC. The PPC increased to 2.56% from 1 April 2013 and increased further to 3.2% from 1 April 2014 in accordance with Statutory Instrument 2013 no.484 The Judicial Pensions (Contributions) (Amendment) Regulations 2014.

Although the JPS is a defined benefit scheme, in accordance with FReM 12.2.5, NICTS accounts for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred.

In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations. A UK Supreme Court hearing on 6 February 2013 ruled that the retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder.

Consistent with the accounting for salaried judicial office holders, and in accordance with FReM 12.2.5, NICTS accounts for employer contributions payable to JPS for eligible fee paid judicial office holders as they are incurred, but does not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, provision for the fee paid judicial office holders' pension entitlement is recognised in the JPS Accounts.

Provisions have been recognised in these Accounts for the liability to fee paid judicial office holders in respect of the Judicial Service Award and compensatory interest, as neither of these liabilities are covered by JPS and its governing Acts. A provision has also been made for further claims that relate to the terms and conditions of fee paid office holders which have historically not matched those of their salaried comparators.

Further information on these provisions is set out in Note 13.

## 5. Other Administration Costs

	Note	2013-14		2012-13	
		£'000	£'000	£'000	£'000
<b>Rentals under operating leases</b>					
Hire of plant and machinery		20		11	
Rentals for accommodation		246		250	
			<b>266</b>		<b>261</b>
<b>Non-cash items</b>					
Depreciation	8	328		343	
Amortisation	9	59		62	
Auditors' remuneration and expenses		92		91	
Notional charges		597		193	
			<b>1,076</b>		<b>689</b>
<b>Other Expenditure</b>					
Court Security		77		139	
Staff Related costs		149		191	
Accommodation costs		258		728	
Services		710		1,036	
Professional costs		71		376	
Other Costs		73		26	
			<b>1,338</b>		<b>2,496</b>
<b>Total</b>			<b>2,680</b>		<b>3,446</b>

## 6. Programme Costs

	Note	2013-14 £'000	2013-14 £'000	Restated 2012-13 £'000	Restated 2012-13 £'000
<b>Rentals under operating leases</b>					
Hire of plant and machinery		54		62	
Rentals for accommodation		675		597	
			<b>729</b>		<b>659</b>
<b>PFI service charges</b>					
Service element of PFI contracts		2,420		2,341	
Interest charges: Finance leases		1,239		1,329	
			<b>3,659</b>		<b>3,670</b>
<b>Non-cash items</b>					
Depreciation	8	7,206		7,205	
Amortisation	9	695		845	
Loss on disposal of property, plant and equipment		29		80	
Auditors remuneration and expenses		12		12	
Provision provided in the year	13	1,007		1,270	
Provision not required written back	13	(4,135)		(242)	
Borrowing costs		116		219	
Impairment Losses	8	347		102	
			<b>5,277</b>		<b>9,491</b>
<b>Other expenditure</b>					
Court Security		5,173		5,178	
Staff Related costs		293		328	
Accommodation costs		4,916		4,949	
Services		6,287		6,262	
Professional costs		889		732	
Coroners, Tribunals and Other Court costs*		8,861		7,550	
Other		609		509	
			<b>27,028</b>		<b>25,508</b>
<b>Judicial costs (Non-consolidated fund)</b>					
Judicial costs		3,954		3,968	
Judicial pensions		2,809		2,724	
			<b>6,763</b>		<b>6,692</b>
<b>Consolidated Fund standing services</b>					
Judicial wages and salaries		7,137		6,830	
Judicial social security costs		926		875	
			<b>8,063</b>		<b>7,705</b>
<b>Total</b>			<b>51,519</b>		<b>53,725</b>

\* Includes legal advice for legacy inquests

## 7. Income

	2013-14 £'000 Total	2012-13 £'000 Total
Court Fees	24,499	24,873
Recovery of Tribunals	4,561	3,720
Other Income	2,968	2,675
	<b>32,028</b>	<b>31,268</b>

Other income relates to income from other sources which are not arising from court fees. This includes rental and service charges generated from court room accommodation and recovery of costs associated with the provision of the service of summons servers and the administration of the safety camera scheme.

An analysis of fees and charges from civil business services provided to external and public sector customers is as follows:

	Income £'000	Full Cost £'000	2013-14 Surplus/ (deficit) £'000	Income £'000	Full Cost £'000	2012-13 Surplus/ (deficit) £'000
Court Service	24,431	23,263	1,168	24,759	23,806	953
- Civil Business						
	24,431	23,263	1,168	24,759	23,806	953

Income shown is in respect of civil fee earning business and has been accounted for in accordance with MPMNI.

NICTS is committed to achieving full cost recovery for the services it provides in respect of civil court business. The income for 2013-14 represents 105% of cost recovery (2012-13: 104%).

The civil business fee recovery target above is based on expenditure net of exemptions and remissions. Applicants in receipt of certain means-tested benefits are entitled to automatic fee exemption. Total fee exemptions during 2013-14 amounted to £63k (2012-13: £59k). Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2013-14 amounted to £4k (2012-13: £14k).

## 8. Property, Plant and Equipment

	Land £'000	Buildings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Payments on Account & Assets under Construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2013	26,058	183,271	4,811	2,151	777	-	217,068
Additions	-	892	188	-	-	-	1,080
Disposals	-	(73)	-	-	-	-	(73)
Transfers	-	-	-	-	-	-	-
Impairment	(381)	(378)	(5)	(16)	-	-	(780)
Revaluation	4,878	(35,315)	(22)	(11)	6	-	(30,464)
<b>At 31 March 2014</b>	<b>30,555</b>	<b>148,397</b>	<b>4,972</b>	<b>2,124</b>	<b>783</b>	<b>-</b>	<b>186,831</b>
<b>Depreciation</b>							
At 1 April 2013	-	21,009	2,828	1,418	399	-	25,654
Charged in year	-	5,438	1,648	372	76	-	7,534
Disposals	-	(44)	-	-	-	-	(44)
Transfers	-	-	-	-	-	-	-
Impairment	-	(430)	(3)	-	-	-	(433)
Revaluation	-	(25,973)	(20)	(15)	4	-	(26,004)
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>4,453</b>	<b>1,775</b>	<b>479</b>	<b>-</b>	<b>6,707</b>
<b>Net book value at 31 March 2014</b>	<b>30,555</b>	<b>148,397</b>	<b>519</b>	<b>349</b>	<b>304</b>	<b>-</b>	<b>180,125</b>
<b>Net book value at 31 March 2013</b>	<b>26,058</b>	<b>162,262</b>	<b>1,983</b>	<b>733</b>	<b>378</b>	<b>-</b>	<b>191,414</b>
<b>Asset financing:</b>							
Owned	30,555	113,400	519	349	304	-	145,128
On balance sheet PFI contracts	-	34,997	-	-	-	-	34,997
<b>Net book value at 31 March 2014</b>	<b>30,555</b>	<b>148,397</b>	<b>519</b>	<b>349</b>	<b>304</b>	<b>-</b>	<b>180,125</b>

	Land £'000	Buildings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Payments on Account & Assets under Construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2012	29,064	187,284	5,064	2,276	762	355	224,805
Additions	-	2,019	(63)	-	-	-	1,956
Disposals	(111)	(6)	-	(6)	-	-	(123)
Transfers	-	106	35	3	26	-	170
Reclassifications	-	549	(659)	(146)	(30)	(355)	(641)
Impairment	-	(121)	-	4	2	-	(115)
Revaluation	(2,895)	(6,560)	434	20	17	-	(8,984)
<b>At 31 March 2013</b>	<b>26,058</b>	<b>183,271</b>	<b>4,811</b>	<b>2,151</b>	<b>777</b>	<b>-</b>	<b>217,068</b>
<b>Depreciation</b>							
At 1 April 2012	-	16,182	1,152	1,011	323	-	18,668
Charged in year	-	5,544	1,529	400	75	-	7,548
Disposals	-	-	-	(6)	-	-	(6)
Transfers	-	82	19	1	2	-	104
Reclassifications	-	(32)	(109)	(3)	(10)	-	(154)
Impairment	-	(15)	-	2	1	-	(12)
Revaluation	-	(752)	237	13	8	-	(494)
<b>At 31 March 2013</b>	<b>-</b>	<b>21,009</b>	<b>2,828</b>	<b>1,418</b>	<b>399</b>	<b>-</b>	<b>25,654</b>
<b>Net book value at 31 March 2013</b>	<b>26,058</b>	<b>162,262</b>	<b>1,983</b>	<b>733</b>	<b>378</b>	<b>-</b>	<b>191,414</b>
<b>Net book value at 31 March 2012</b>	<b>29,064</b>	<b>171,102</b>	<b>3,912</b>	<b>1,265</b>	<b>439</b>	<b>355</b>	<b>206,137</b>
<b>Asset financing:</b>							
Owned	26,058	125,097	1,983	733	378	-	154,249
On balance sheet PFI contracts	-	37,165	-	-	-	-	37,165
<b>Net book value at 31 March 2013</b>	<b>26,058</b>	<b>162,262</b>	<b>1,983</b>	<b>733</b>	<b>378</b>	<b>-</b>	<b>191,414</b>

## Notes

IAS 16 requires measurement of assets at fair value.

Land and buildings were valued as at 31 March 2014 by LPS. The valuation was carried out by LPS in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Indices for assets other than land and buildings were obtained from ONS MM22 Price Index Numbers for Current Cost Accounting as at March 2014.

Antiques have been included in the Furniture and Fittings classification and are professionally valued every five years. The valuation was carried out at 31 March 2014 by John Ross & Co. The net book value was £8k.

**Asset Disposals** - The remaining lease for the 9th floor of Bedford House was disposed of within the financial year, with a net book value of £29k. The resulting impact was a loss on disposal of £29k which has been reflected within Note 6.

**Asset Transfers** - There were no asset transfers in the current financial year. On 1 May 2012 the Parole Commissioners transferred into NICTS. This transfer resulted in assets with a net book value of £41k being transferred.

**Asset Reclassification** - There were no asset reclassification in the current financial year. During the financial year 2012-13, the fixed assets system used by NICTS was transferred to the Real

Asset Management (RAM) system. This transfer resulted in a number of reclassifications as RAM has more asset categories available.

There are no donated assets to report.

## 9. Intangible Assets

Intangible assets comprise internally and externally developed software, software licences and websites.

	Software Licences £'000	IT £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2013	305	9,632	9,937
Additions	-	500	500
Indexation	6	30	36
<b>At 31 March 2014</b>	<b>311</b>	<b>10,162</b>	<b>10,473</b>
<b>Amortisation</b>			
At 1 April 2013	128	8,645	8,773
Charged in year	74	681	755
Indexation	3	17	20
<b>At 31 March 2014</b>	<b>205</b>	<b>9,343</b>	<b>9,548</b>
<b>Net Book Value at 31 March 2014</b>	<b>106</b>	<b>819</b>	<b>925</b>
<b>Net Book Value at 31 March 2013</b>	<b>177</b>	<b>987</b>	<b>1,164</b>
<b>Asset Financing</b>			
Owned	106	819	925
On balance sheet PFI contracts	-	-	-
<b>Net book value at 31 March 2014</b>	<b>106</b>	<b>819</b>	<b>925</b>

	Software Licences £'000	IT £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2012	-	8,917	8,917
Additions	214	125	339
Transfers	-	(24)	(24)
Reclassification	84	557	641
Indexation	7	57	64
<b>At 31 March 2013</b>	<b>305</b>	<b>9,632</b>	<b>9,937</b>
<b>Amortisation</b>			
At 1 April 2012	-	7,681	7,681
Charged in year	60	847	907
Reclassifications	66	88	154
Indexation	2	29	31
<b>At 31 March 2013</b>	<b>128</b>	<b>8,645</b>	<b>8,773</b>
<b>Net Book Value at 31 March 2013</b>	<b>177</b>	<b>987</b>	<b>1,164</b>
<b>Net Book Value at 31 March 2012</b>	<b>-</b>	<b>1,236</b>	<b>1,236</b>
<b>Asset Financing</b>			
Owned	177	987	1,164
On balance sheet PFI contracts	-	-	-
<b>Net book value at 31 March 2013</b>	<b>177</b>	<b>987</b>	<b>1,164</b>

Intangible assets are adjusted to their current value each year by reference to appropriate indices supplied by the ONS.

## 10. Trade receivables and other current assets

### 10.1 Analysis by type

	2013-14 £'000	2012-13 £'000	1 April 2012 £'000
<b>Amounts falling due within one year:</b>			
Trade receivables	115	275	-
Value Added Tax	718	825	872
Other receivables	2,506	1,743	2,101
Prepayments and accrued income	3,828	4,363	3,268
<b>Total</b>	<b>7,167</b>	<b>7,206</b>	<b>6,241</b>

Within other receivables there is a provision for bad debt of £39k. As this is a provision, and therefore a non cash movement, it has been excluded from the movement in trade receivables for inclusion within the Statement of Cash Flows (2012-13: £39k).

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

### 10.2 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due after more than one year		
	2013-14 £'000	2012-13 £'000	1 April 2012 £'000	2013-14 £'000	2012-13 £'000	1 April 2012 £'000
Balances with other central government bodies	4,898	5,873	5,201	-	-	-
Balances with local authorities	-	-	-	-	-	-
<b>Subtotal: intra-government balances</b>	<b>4,898</b>	<b>5,873</b>	<b>5,201</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	2,269	1,333	1,040	-	-	-
<b>Total receivables at 31 March</b>	<b>7,167</b>	<b>7,206</b>	<b>6,241</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 11. Cash and cash equivalents

	2013-14 £'000	2012-13 £'000	1 April 2012 £'000
Balance at 1 April	23	633	(635)
Net change in cash and cash equivalent balances	896	(610)	1,268
<b>Balance at 31 March</b>	<b>919</b>	<b>23</b>	<b>633</b>
The following balances at 31 March were held at:			
Office of HM Paymaster General	-	-	-
Commercial banks and cash in hand	919	23	633
<b>Balance at 31 March</b>	<b>919</b>	<b>23</b>	<b>633</b>

## 12. Trade payables and other current liabilities

### 12.1 Analysis by type

	2013 - 14 £'000	Restated 2012 - 13 £'000	Restated 1 April 2012 £'000
<b>Amounts falling due within one year</b>			
Trade payables	26	374	85
Other payables	796	1,364	1,066
Accruals and deferred income	15,272	12,537	10,412
Current part of imputed finance lease element of PFI contracts	1,034	943	853
Consolidated Fund extra receipts due to be paid to the Consolidated Fund receivable	115	275	-
	<b>17,243</b>	<b>15,493</b>	<b>12,416</b>
<b>Amounts falling due after more than one year</b>			
Imputed finance lease element of PFI contracts	18,836	19,870	20,813
	<b>36,079</b>	<b>35,363</b>	<b>33,229</b>

Other payables includes amounts fines payable to the NICF of £539k (2012-13: £860k), which are to be reflected in the 2013-14 Trust Statement.

Refer to Note 12.3 which provides detail on fines collected, paid and payable to the NICF.

Within accruals and deferred income are accruals for non-current assets of £977k (2012-13: £485k).

### 12.2 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due after more than one year		
	2013-14 £'000	Restated 2012-13 £'000	Restated 1 April 2012 £'000	2013-14 £'000	Restated 2012-13 £'000	Restated 1 April 2012 £'000
Balances with other central government bodies	4,185	1,881	1,880	-	-	-
Balances with local authorities	1	3	6	-	-	-
Balances with NHS Trusts	-	1	5	-	-	-
<b>Subtotal: intra-government balances</b>	<b>4,186</b>	<b>1,885</b>	<b>1,891</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	13,057	13,608	10,525	18,836	19,870	20,813
<b>Total payables at 31 March</b>	<b>17,243</b>	<b>15,493</b>	<b>12,416</b>	<b>18,836</b>	<b>19,870</b>	<b>20,813</b>

### 12.3 Summary of fine income payable to the Northern Ireland Consolidated Fund (NICF)

The following details the income collected by NICTS acting as an agent for the NICF. These amounts will be disclosed in the NICTS Trust Statement which is published separately from these financial statements. Due to the timing of the laying of the Trust Statement for 2013-14, NICTS has continued to disclose these details for the current year.

NICTS accepts payment for amounts imposed in the Magistrates and Crown courts for onward transmission to the NICF via DOJ. Amounts imposed in court can be cleared either by payment or by means other than payment, including committal to prison and supervised activity orders.

NICTS also receives payment for penalties that are imposed externally to the courts including fixed penalties imposed for motoring offences. These penalties are accounted for as NICF income from date of imposition.

On collection of fines the receipts are held on trust and accounted for as amounts due to the NICF until paid over (see Note 12.1).

The net revenue payable to the consolidated fund consists of the following elements:

	2013-14 £'000	Restated 2012-13 £'000
<b>Trust Statement Revenue</b>		
Fixed Penalties	2,234	2,046
Court Imposed fines	6,099	6,188
Offender Levy	339	128
Extra Costs	65	41
Confiscation Orders	2,830	1,911
Other Party Criminal	2,283	2,276
	<b>13,850</b>	<b>12,590</b>
<b>Expenditure</b>		
Credit Losses	(1,689)	(1,311)
Revenue retained by NICTS under statute	(174)	(104)
<b>Disbursements</b>		
Amounts paid to Other Parties	(1,361)	(2,156)
Amounts paid to Safety Camera Scheme	(888)	(928)
	<b>(4,112)</b>	<b>(4,499)</b>
<b>Net Revenue for the Consolidated Fund</b>	<b>9,738</b>	<b>8,091</b>

The amounts that have been received and are due to be paid over to the NICF consists of the following elements:

	2013-14 £'000	2012-13 £'000
<b>Amounts Held On Trust</b>		
Balance held on trust at 1 April	860	812
Fines cleared by receipt of payment (NICF fines)	7,046	9,957
Payments to Consolidated Fund	(6,305)	(8,877)
Payments to others	(1,062)	(1,032)
<b>Balance held on Trust at 31 March</b>	<b>539</b>	<b>860</b>

The receivables balance at year end was £16.2m (2012-13: £12.5m), this includes those receivables which are not payable to the NICF, for example compensation.

	2013-14 £'000	Restated 2012-13 £'000
Balance receivable at 1 April	12,486	12,901
Amounts Imposed	13,850	12,590
Fines Cleared by receipt of Payment	(8,446)	(11,693)
Fines Cleared by Competent Authority	(1,689)	(1,311)
(Increase) in impairment provision	-	(1)
<b>Balance receivable at 31 March</b>	<b>16,201</b>	<b>12,486</b>

The 2012-13 balances have been restated within this note to reflect the contents of the Trust Statement for 2012-13 and in line with the requirements of Chapter 13 of FReM, Accounting for consolidated fund revenue. We note that within the DOJ consolidated accounts comparative figures have not been restated as these are included in the Statement of Assembly Supply and Note 2 in these accounts and, for the purposes of Assembly Control, these figures are indelible.

### 13. Provisions

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Court Funds Office £'000	Fee Paid Office Holders £'000	Total £'000
Balance at 1 April 2013	357	659	4,500	3,773	603	9,892
Machinery of Government transfer	-	-	-	-	-	-
Provided in the year	5	583	419	-	-	1,007
Provisions not required written back	(20)	(338)	-	(3,443)	(334)	(4,135)
Provisions utilised in the year	(91)	(115)	(56)	-	-	(262)
Provisions settled from Consolidated Fund	-	-	(363)	-	-	(363)
Borrowing Costs	16	-	100	-	1	117
Actuarial gain	-	-	(100)	-	-	(100)
<b>Balance at 31 March 2014</b>	<b>267</b>	<b>789</b>	<b>4,500</b>	<b>330</b>	<b>270</b>	<b>6,156</b>

Analysis of expected timing of discounted flows:

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Court Funds Office £'000	Fee Paid Office Holders £'000	Total £'000
Not later than one year	60	789	700	330	33	1,912
Later than one year and not later than five years	207	-	2,100	-	37	2,344
Later than five years	-	-	1,700	-	200	1,900
<b>Balance at 31 March 2014</b>	<b>267</b>	<b>789</b>	<b>4,500</b>	<b>330</b>	<b>270</b>	<b>6,156</b>

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Court Funds Office £'000	Fee Paid Office Holders £'000	Total £'000
Balance at 1 April 2012	588	313	3,900	3,754	-	8,555
Machinery of Government transfer	-	421	-	-	-	421
Provided in the year	31	245	372	19	603	1,270
Provisions not required written back	(13)	(229)	-	-	-	(242)
Provisions utilised in the year	(268)	(91)	-	-	-	(359)
Provisions settled from Consolidated Fund	-	-	(372)	-	-	(372)
Borrowing Costs	19	-	200	-	-	219
Actuarial loss	-	-	400	-	-	400
<b>Balance at 31 March 2013</b>	<b>357</b>	<b>659</b>	<b>4,500</b>	<b>3,773</b>	<b>603</b>	<b>9,892</b>

Analysis of expected timing of discounted flows:

	Early departure costs £'000	Legal Claims £'000	Judicial Service Award £'000	Court Funds Office £'000	Restated Fee Paid Office Holders £'000	Restated Total £'000
Not later than one year	106	659	364	3,773	-	4,902
Later than one year and not later than five years	251	-	494	-	257	1,002
Later than five years	-	-	3,642	-	346	3,988
<b>Balance at 31 March 2013</b>	<b>357</b>	<b>659</b>	<b>4,500</b>	<b>3,773</b>	<b>603</b>	<b>9,892</b>

### 13.1 Early departure costs

NICTS meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to PCSPS over the period between early departure and normal retirement date. NICTS provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.8% in real terms.

### 13.2 Legal Claims

Provision has been made for various legal claims against NICTS. The provision reflects all known claims where legal advice indicates that there is a present obligation due to a past event and payment is probable and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. The provision is based on the estimated cash flow. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so or cannot be estimated reliably, are disclosed as contingent liabilities in Note 19.

### 13.3 Judicial Service Award

Provision has been made for a Judicial Service Award for salaried judicial office holders who are members of JPS. The purpose of the Judicial Service Award is that, subject to any future changes in legislation, the award will compensate for any tax or National Insurance charges on lump sums payable from the deregistered judicial pension schemes on retirement. The provision has been estimated by the GAD and takes into account the number of reckonable years served and an estimate of the projected final salaries of existing members. The result has then been discounted to present value using the rates set by HM Treasury.

### 13.4 Courts Funds Office: Stockbroker Management Fees

Provision has been made for reimbursement of stockbroker management fees which were charged to CFO client accounts without the appropriate authorisation between 1996 and 2010.

In August 2012, a High Court judgment indicated that some historical deductions of stockbroker fees from CFO client accounts may have been unlawful. The Accountant General appealed the judgment and in September 2013 the Court of Appeal ruled that historical deductions were lawful, provided that they were authorised by an order from the court. As a result of this judgment, £3.4m was released from the provision in 2013-14. An exercise to review court orders to ascertain whether CFO had the necessary authority to deduct the fees has been completed. Legal advice on some aspects of the historic deductions is outstanding, however, legal advice indicates that stockbroker fees paid by NICTS prior to a legislative change may be recovered from clients and former clients of CFO.

The remaining provision represents a current estimate of refunds due, based on the amounts actually billed by the stockbroker plus an estimate of the additional cost of the interest foregone.

### 13.5 Fee Paid Office Holders

#### Judicial Service Award

Following a ruling against MOJ by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, a provision has been recognised for the Judicial Service Award, which compensates retirees for the tax paid on pension lump sums paid on retirement, that will become payable in future years to fee paid judicial office holders who have claimed, or are eligible to claim, pension entitlements.

As there are currently appeals lodged in the Employment Appeal Tribunal in relation to pension entitlement, there is a degree of uncertainty surrounding the quantum of the pension to which eligible fee paid office holders are entitled. As such, the Judicial Service Award provision for fee paid office holders has been calculated based on the pension entitlement as informed by the latest available judgments from the Employment Tribunal and Employment Appeal Tribunal.

Owing to the absence of detailed individual member data for fee paid judicial office holders, the Judicial Service Award provision has been determined by calculating the ratio of the salaried Judicial Service Award to the salaried pension liability recognised in the JPS Accounts.

### Compensatory Interest

In respect of retired fee paid office holders, compensatory interest has been estimated to account for any financial loss to these office holders resulting from the non-payment of their pension entitlements. JPS does not have authority to make these payments therefore, this responsibility falls to NICTS. A provision has been recognised for compensatory interest and has been calculated by GAD using the Preston Index which applies an assumed interest rate to the approximate arrears of pension and lump sum due to retired fee paid office holders.

### Non-Pension Entitlements

The lead case in the O'Brien litigation has set the precedent for other stayed cases, which in addition to pension entitlements, has extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions, such as annual leave, sick pay and training fees. The case was remitted to the Employment Tribunal to determine the quantum of the liability to the eligible fee paid judicial office holders.

During 2013-14 hearings held by the Employment Tribunal and Employment Appeal Tribunal addressed claims for non-pension entitlements relating to the terms and conditions of fee paid judicial office holders. A provision has been recognised which reflects the best estimate of the amount required to settle those claims which have been lodged within the time limit provided by the latest available judgments. These non-pension entitlement claims were disclosed as a non-monetary contingent liability in the 2012-13 Accounts.

## 14. Capital commitments

	2013-14 £'000	2012-13 £'000
IT Hardware and Software	-	-
Property Plant and Equipment	-	370
<b>Contracted capital commitments at 31 March</b>	<b>-</b>	<b>370</b>

## 15. Commitments under leases

### 15.1 Operating leases

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

	2013-14 £'000	2012-13 £'000
Obligations under operating leases comprise:		
<b>Land :</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-
<b>Buildings:</b>		
Not later than one year	613	800
Later than one year and not later than five years	1,680	1,899
Later than five years	1,097	1,484
	<b>3,390</b>	<b>4,183</b>
<b>Other:</b>		
Not later than one year	77	4
Later than one year and not later than five years	86	-
Later than five years	-	-
	<b>163</b>	<b>4</b>

### 15.2 Finance leases

The Agency had no finance leases operating during the year.

## 16. Commitments under PFI contracts

### 16.1 Laganside Complex

During February 1999, NICTS entered into a PFI agreement with a private sector provider for the provision and maintenance of a high quality court complex in Belfast.

In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the SoCNE. The court complex has been accounted for as an asset of NICTS under IFRIC 12.

The substance of the contract is that NICTS has a finance lease and payments comprise two elements – imputed finance lease charges and service charges.

Details of the imputed finance lease charges are given in the table below for each of the following periods:

	2013-14 £'000	Restated 2012-13 £'000
Rentals due not later than one year	2,182	2,182
Rentals due later than one year and not later than five years	8,728	8,728
Rentals due later than five years	16,847	19,029
	<b>27,757</b>	<b>29,939</b>
Less interest element	(7,888)	(9,127)
<b>Present value of obligations</b>	<b>19,869</b>	<b>20,812</b>

Details of the minimum service charge are given in the table below for each of the following periods:

	2013-14 £'000	2012-13 £'000
Service charge due within one year	1,429	1,328
Service charge due later than one year and not later than five years	5,834	5,420
Service charge due later than five years	11,851	12,495
<b>Total</b>	<b>19,114</b>	<b>19,243</b>

## 16.2 Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the SoCNE in respect of the service element of on balance sheet (SoFP) PFI transactions was £2,420k (2012-13: £2,341k); and the payments to which NICTS is committed is as follows:

	2013-14 £'000	Restated 2012-13 £'000
Not later than one year	2,398	2,273
Later than one year and not later than five years	9,594	9,236
Later than five years	20,647	23,540
<b>Total</b>	<b>32,639</b>	<b>35,049</b>

## 17. Other financial commitments

NICTS has entered into a five year contract with Fujitsu Services for the provision of ICT services. The future commitments in revenue terms are approximately £8.0m up to the contract end date of 31 December 2015. There are no other contracted non-capital commitments at 31 March 2014.

NICTS have a future commitment associated with the NICTS fee paid judicial office holders claiming retrospective pension rights on the basis of the O'Brien case. In accordance with relevant government guidance the NICTS liability is recognised in JPS accounts however NICTS is committed to finding the associated funding for the element of the provision arising after April 2010, when police and justice powers transferred to the NI Assembly. The timing of these cashflows will be determined in the future once final determination has been made.

## 18. Financial instruments

IAS 32 Financial Instruments: Presentation, and IFRS 7 Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for NICTS financial position and performance, the nature and extent of risks arising from financial instruments to which NICTS is exposed during the period and at the reporting date, and how NICTS manages those risks. As a result of the non-trading nature of its activities and the way in which Agencies are financed, NICTS is not exposed to the degree of financial risk faced by business entities.

NICTS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing NICTS in undertaking its activities.

### Classification of financial instruments

NICTS financial instruments are measured at amortised cost. NICTS financial assets are classified as receivables and comprise trade and other receivables (Note 10) and cash and cash equivalent (Note 11). NICTS financial liabilities comprise trade payables excluding tax assets, accruals and deferred income (Note 12). 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. NICTS recognises the components of net gain/loss through the SoCNE.

## **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. NICTS is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that NICTS wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where available. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the SoFP.

### **Liquidity risk**

NICTS net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly, as is its capital expenditure. It is not, therefore, exposed to significant liquidity risks.

NICTS financial assets of £919k (2012-13: £23k), found in Note 11, are non-interest bearing financial assets and comprise of cash and cash equivalents. Cash and cash equivalents are held in sterling and are available on demand.

### **Currency Risk**

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

NICTS does not have the authority to manage currency risk through hedging.

### **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 NICTS financial assets and liabilities carry nil or fixed rates of interest. NICTS is therefore not exposed to any interest rate risk.

### **Embedded Derivatives**

In accordance with IAS 39, Financial Instruments: Recognition and Measurement, NICTS has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to NICTS Laganside PFI contract there is a payment mechanism that determines the charge the organisation will pay from 2009 to 2026 which is based on the UK retail price index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment within which NICTS operates.

## **19. Contingent liabilities disclosed under IAS 37**

NICTS has contingent liabilities where the possibility of the liability crystallising is judged to be possible. Unless otherwise stated, the quantum of the liability can either not be determined with reasonable certainty or to quantify it would jeopardise the outcome of the case.

## 19.1 Legal Claims and Costs

There is an estimated contingent liability of £120k (2012-13: £174k) in relation to legal claims and costs; further information is disclosed within Note 13.2.

	2013-14 £'000
Legal cases pending	120
	<u>120</u>

There are further contingent liabilities upon which it is not possible to put a value. It is NICTS assertion that these claims are unsubstantiated.

## 19.2 Fee Paid Office Holders

Pension entitlements are provided to salaried judges under the JPS. In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations.

The UK Supreme Court ruled on 6 February 2013 that the retired fee paid judicial office holder was entitled to a pension on terms equivalent to those applicable to a salaried judicial office holder. This lead case set the precedent for other stayed cases, which in addition to pension entitlements, extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions, such as annual leave, sick pay and training fees. The case was remitted to the Employment Tribunal to determine the quantum of the liability to the eligible fee paid judicial office holders.

During 2013-14, there were several hearings held at the Employment Tribunal and Employment Appeal Tribunal to address the quantum of the pension entitlement and which judicial office holders were eligible to make claims. In addition to pension entitlements, these hearings also addressed claims for non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions.

As detailed in Note 13.5 provisions have been recognised for eligible fee paid judicial office holders based on the UK Supreme Court ruling and the latest judgments from the Employment Tribunal and Employment Appeal Tribunal. There are a number of outstanding appeals in relation to these judgments which have not been heard prior to the finalisation of these accounts.

In the JPS accounts, £3.6m has been recognised as the pension liability associated with NICTS fee paid judicial office holders as at 31 March 2014, NICTS will potentially have to fund £2.2m of this however the timing of these cash flows remains uncertain. In addition to this an estimated contingent liability of £129k has been disclosed, arising from pension and non-pension claims which have been lodged outside the time limit provided by the latest available judgments. These judgments allow for the Employment Tribunal to use discretion and extend this time limit if it rules that it is just and equitable to do so. As cases in Northern Ireland have been further postponed until the autumn, awaiting the outcome of the related litigation in England and Wales, there is currently no evidence in respect of the number of claims that the Employment Tribunal will allow and therefore NICTS has no present obligation in relation to claims lodged outside the timeframe.

## 19.3 Data Breach Fine

In 2013-14 we voluntarily reported one data loss incident to the Information Commissioner's Office. An investigation was carried out into the circumstances which lead to the breach, and no fine was imposed on NICTS.

## 19.4 Legacy Inquests

The programme of legacy inquests will create a budgetary pressure in future years. The number of legacy inquests continues to increase with a potential for further increase as the Attorney General continues to refer cases. The Lord Chief Justice, the Minister and the Permanent Secretary have agreed the need to establish a Legacy Inquest Unit. The Strategic Outline Business Case to progress a Legacy Inquest Unit is currently going through the required approval processes within DOJ and DFP. In the meantime NICTS is scoping the Outline Business Case. At this time there is no specific funding in place for legacy work.

## 19.5 Judicial Reviews on Fine Enforcement

The recent court hearing to consider five Judicial Review applications challenging imposing and enforcing fines has resulted in the court finding many of the processes to be flawed. One of the significant points to be found was that the court should not consider how to deal with default at the point of sentence but should only do so after the default has occurred. The implications of this judgment for NICTS are that there could be potential claims against NICTS for unlawful imprisonment for unpaid fines but the quantum of these fines is uncertain.

The five Judicial Reviews have been converted to writs and will be considered before the Queen's Bench Division in September 2014, who will consider liability, and potential immunity under the Crown Proceedings Act 1947. If the judge proceeds to consider an award of damages a scale may be established and applied to future claims avoiding the need for unnecessary litigation. The amount and value of these potential claims are unknown at this point.

## 20. Losses and special payments

During the year, there were ten cases totalling £833 (2012-13: 7 cases totalling £10,803).

## 21. Related-party transactions

NICTS is an executive Agency of DOJ. DOJ is regarded as a related party. During the year, NICTS has had various material transactions with the Department, and with other entities for which DOJ is regarded as the parent Department, namely PSNI, NIPS, the Youth Justice Agency and the Northern Ireland Legal Services Commission. In addition, NICTS has had various material transactions with other government Departments and other central government bodies.

During the year, no Board members have undertaken any material transactions with NICTS.

David Lavery's wife is a fee paid office holder of the Mental Health Review Tribunal and the Appeals Tribunals. She received fees totalling £67,920 (2012-13: £37,446).

Conall MacLynn's wife is a fee paid office holder of the Appeals Tribunals. She received fees totalling £38,764 (2012-13: £33,708).

His Honour Judge McFarland's wife is a fee paid office holder of the Appeals Tribunals. She received fees totalling £46,001 (2012-13: £41,464).

Jacqui Durkin's son was employed within NICTS for a short period through Premiere People. They received fees totalling £2,096 (2012-13: n/a).

## 22. Third-party assets

NICTS holds as custodian or trustee certain assets belonging to third parties.

### Third Party Monetary Assets

NICTS, through CFO, continues to provide a banking and investment service for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

There are third party bank accounts maintained by the various court offices and the Office of the Official Solicitor.

These are not NICTS assets and are not included in the accounts. The assets held at the reporting date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. They are set out in the table below.

	31 March 2013 £'000	Gross inflows £'000	Gross outflows £'000	31 March 2014 £'000
Monetary assets such as bank balances and monies on deposit	88,158	200,222	(155,046)	133,334
Listed securities	205,815	84,491	(120,933)	169,373
<b>Total Third Party Assets</b>	<b>293,973</b>	<b>284,713</b>	<b>(275,979)</b>	<b>302,707</b>

### Third Party Inventory Assets

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property assets. Title deeds for property may also be held by the court service as security for bails in relation to legal actions.

EJO provides a centralised enforcement service for civil court judgments. A number of cases result in property repossessions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

	31 March 2014 Number	31 March 2013 Number
Property assets	1,839	1,604

## 23. Entities within the accounting boundary

The accounting boundary incorporates only the core Agency.

The funds invested by the CFO are specifically excluded from the accounting boundary, following HM Treasury guidance. Third party monies are similarly excluded. CFO publish separate audited financial accounts.

Details of income collected as an agent for NICE will be disclosed in the NICTS Trust Statement which is published separately from these financial statements.

## 24. Criminal Injuries Compensation Appeals Panel Northern Ireland

The administrative functions of Criminal Injuries Compensation Appeals Panel Northern Ireland

(CICAPNI) transferred from the Secretary of State for Northern Ireland (SOSNI) to the Secretary of State for Justice (SOSJ) in the 2007-08 financial year and were delivered by a Machinery of Government letter on 1 December 2007.

The administrative functions of CICAPNI transferred from the SOSJ to DOJ following the devolution of policing and justice in Northern Ireland on 12 April 2010.

DOJ has directed a statement of accounts in accordance with the 2002 Order and the Scheme only requires a simple statement providing the full cost of CICAPNI for the year, given as a note in the NICTS accounts.

This direction is in accordance with The Criminal Injuries (NI) Order 2002 ("the 2002 Order") and with the Northern Ireland Criminal Injuries Compensation Scheme 2002 ("the Scheme") which establish CICAPNI. Both the 2002 Order and the Scheme provide that DOJ may direct the form of the accounts of CICAPNI.

This accounting note has been prepared in accordance with the accounts direction issued by DOJ.

### CICAPNI Statement of Account As At 31 March 2014

	2013-14	2012-13
	£	£
Income	-	-
<b>Staff Costs</b>		
Staff Payroll costs	(204,034)	(206,733)
Judicial Payroll costs	(183,659)	(251,265)
Total Payroll costs	(387,693)	(457,998)
Other operating costs	(142,226)	(201,609)
<b>Net Cost of operations</b>	<b>(529,919)</b>	<b>(659,607)</b>

## 25. Prior Year Adjustments to the Financial Statements

During the financial year 2013-14, there was a prior year adjustment for an increase in the total overall liability of the PFI contract.

### Impact on Financial Statements

The tables below summarise the overall impact of the above on corresponding amounts in the SoCNE and the SoFP.

	2012-13 Published Resource Accounts £'000	PFI Liability £'000	Restated 2012-13 £'000
<b>Administration costs</b>			
Staff costs	3,704	-	3,704
Other administration costs	3,446	-	3,446
Operating income	(620)	-	(620)
<b>Programme costs</b>			
Staff costs	20,845	-	20,845
Programme costs	53,786	(61)	53,725
Operating income	(30,648)	-	(30,648)
<b>Net Operating Cost</b>	<b>50,513</b>	<b>(61)</b>	<b>50,452</b>

	2012-13 Published Resource Accounts £'000	PFI Liability £'000	Restated 2012-13 £'000
<b>Non-current assets:</b>			
Property, plant and equipment	191,414	-	191,414
Intangible assets	1,164	-	1,164
<b>Current assets:</b>			
Trade and other receivables	7,206	-	7,206
Cash and cash equivalents	1,355	-	1,355
<b>Liabilities:</b>			
Cash and cash equivalents	(1,332)	-	(1,332)
Trade and other payables	(15,418)	(75)	(15,493)
Provisions	(9,892)	-	(9,892)
Other payables	(18,405)	(1,465)	(19,870)
	<b>156,092</b>	<b>(1,540)</b>	<b>154,552</b>
<b>Taxpayers' Equity:</b>			
General Fund	51,186	(1,540)	49,646
Revaluation Reserve	104,906	-	104,906
	<b>156,092</b>	<b>(1,540)</b>	<b>154,552</b>

	2011-12 Published Resource Accounts £'000	PFI Liability £'000	Restated 2011-12 £'000
<b>Non-current assets:</b>			
Property, plant and equipment	206,137	-	206,137
Intangible assets	1,236	-	1,236
<b>Current assets:</b>			
Trade and other receivables	6,241	-	6,241
Cash and cash equivalents	633	-	633
<b>Liabilities:</b>			
Trade and other payables	(12,354)	(62)	(12,416)
Provisions	(8,555)	-	(8,555)
Other payables	(19,274)	(1,539)	(20,813)
	<b>174,064</b>	<b>(1,601)</b>	<b>172,463</b>
<b>Taxpayers' Equity:</b>			
General Fund	57,802	(1,601)	56,201
Revaluation Reserve	116,262	-	116,262
	<b>174,064</b>	<b>(1,601)</b>	<b>172,463</b>

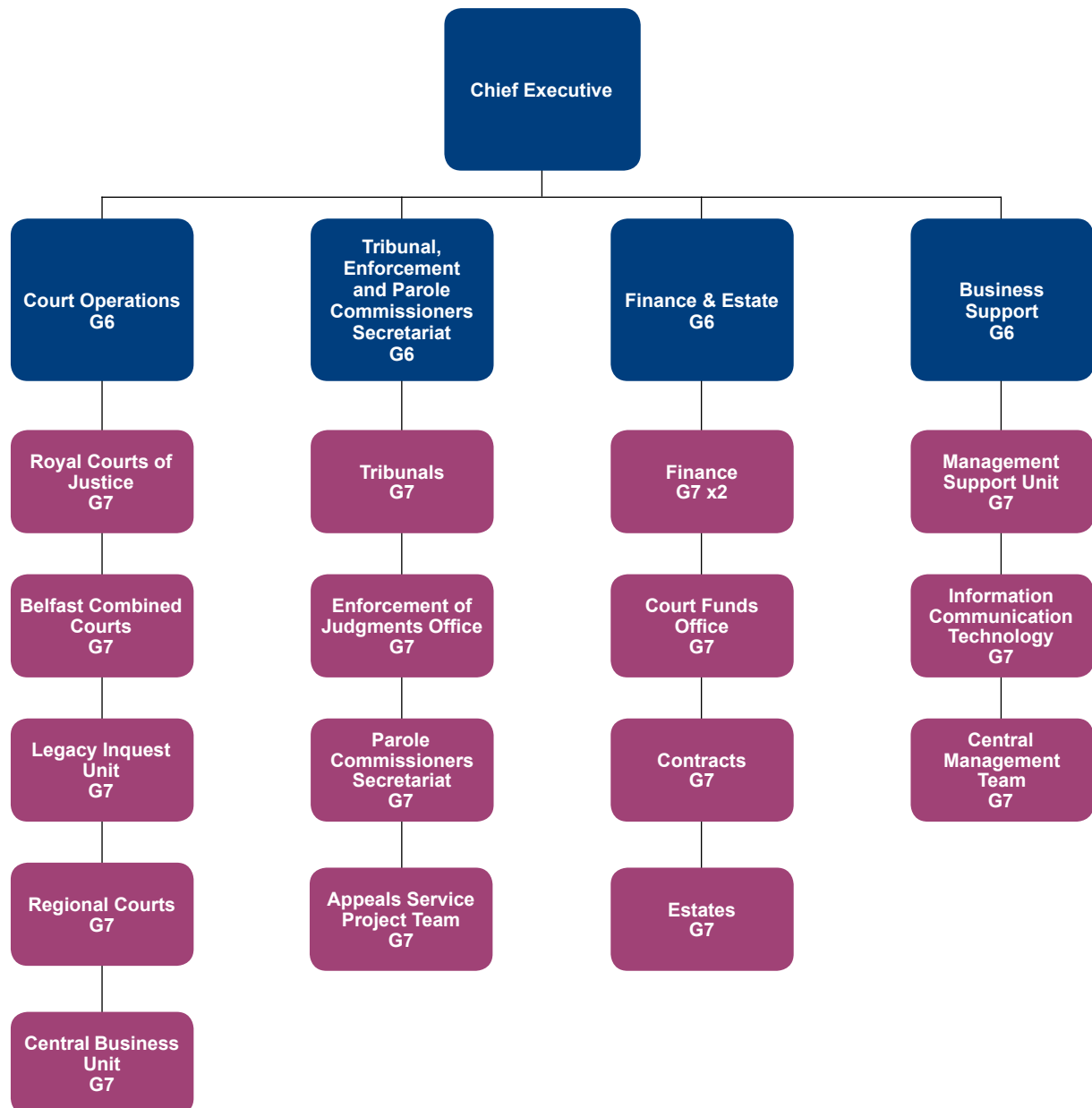
## 26. Events after the reporting period

There were no material events post the SoFP for the year ended 31 March 2014.

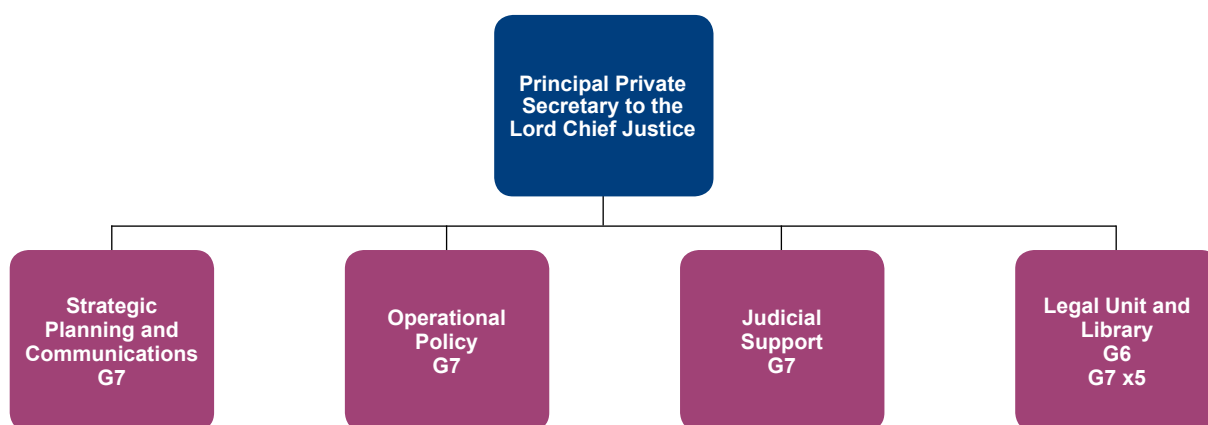
The Accounting Officer authorised these financial statements for issue on the same date that they were certified by the C&AG.

## PART 5 APPENDICES

### Annex A Northern Ireland Courts and Tribunals Service Organisational Chart 2014



## Annex B Office of the Lord Chief Justice Structure 2014



## Annex C Staffing

At the end of March 2014, the number of staff employed by the Agency was 754. A breakdown is provided below.

Staff Headcount	
Tribunals and Enforcement Operations Division	127
Court Operations Division	477
Finance and Estates	59
Business Support	33
Office of the Lord Chief Justice	41
Chief Executive's Office	10
<b>Total</b>	<b>747</b>

\* There are seven secondees out, bringing total to 754

Staff Headcount by Grade	
Administrative Assistant	8
Administrative Officer	348
Executive Officer 2	48
Executive Officer 1	208
Staff Officer	65
Deputy Principal	40
Principal Officer	28
Grade 6	7
Grade 5	2
<b>Total</b>	<b>754</b>

## Annex D Court and Tribunal Performance Standards 2013-14

### Criminal Business

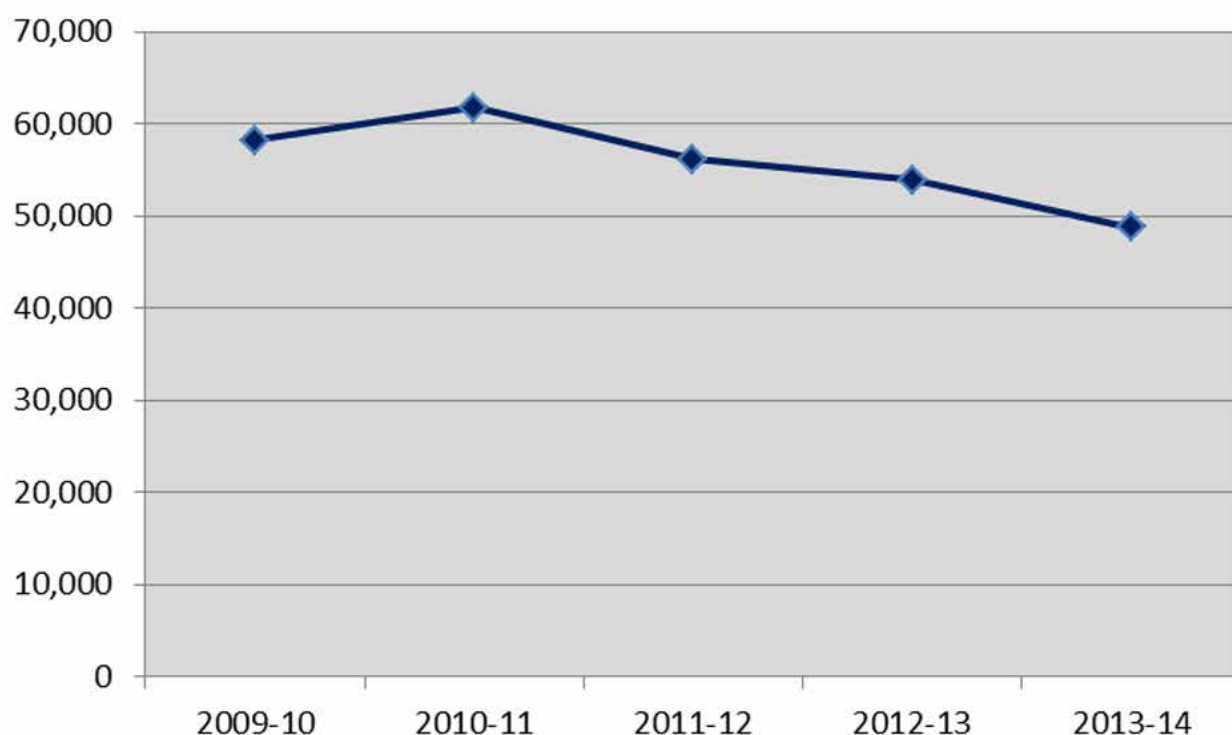
To facilitate the efficient disposal of criminal business<sup>3</sup>

- 80% of Crown Court defendants will be arraigned within six weeks of committal;  
(In 2013-14 we achieved 93%)
- 80% of Crown Court defendants will start their trial within 18 weeks of committal;  
(In 2013-14 we achieved 82%)
- 80% of Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt;  
(In 2013-14 we achieved 79%)
- 80% of Magistrates' Courts adult defendants will have their case disposed of within nine weeks of first listing;  
(In 2013-14 we achieved 84%)
- A finding will be reached within 12 weeks from first listing for 80% of Youth Court defendants;  
(In 2013-14 we achieved 87%)
- 90% of appeals against a sentence will be listed within four weeks of leave being granted to appeal to the Court of Appeal;  
(In 2013-14 we achieved 100%)

The chart below shows the levels of criminal business received over the past five years.

---

<sup>3</sup> These Standards, with the exception of the Court of Appeal, Causeway and Court Order Standards, are set by the Lord Chief Justice.

**Figure 1: Criminal Business Received****Criminal Court Business – Volumes, Disposals and Performance**

<b>Business Volumes Received</b>		<b>2013-14</b>	<b>% difference*</b>
Total Criminal business		48,798	-9%
Crown Court cases		1,746	-2%
Magistrates' adult defendants		44,822	-10%
Magistrates' youth defendants		2,230	-3%
<b>Business Volumes disposed</b>			
Total criminal business		49,429	-10%
Crown Court cases		1,937	11%
Magistrates' adult defendants		45,200	-11%
Magistrates' youth defendants		2,292	-5%
<b>Sittings</b>			
Total criminal sittings		6,636	3%
Crown Court		2,818	12%
Magistrates' adult		3,312	-3%
Magistrates' youth		506	-3%
<b>Performance against a target of 80% compliance</b>			
Crown Court <sup>4</sup>		82%	7pp
Magistrates' adult		84%	0pp
Magistrates' youth		87%	2pp

\* compared with equivalent data for the 2012-13 period

pp – percentage point

<sup>4</sup> Committal to hearing target

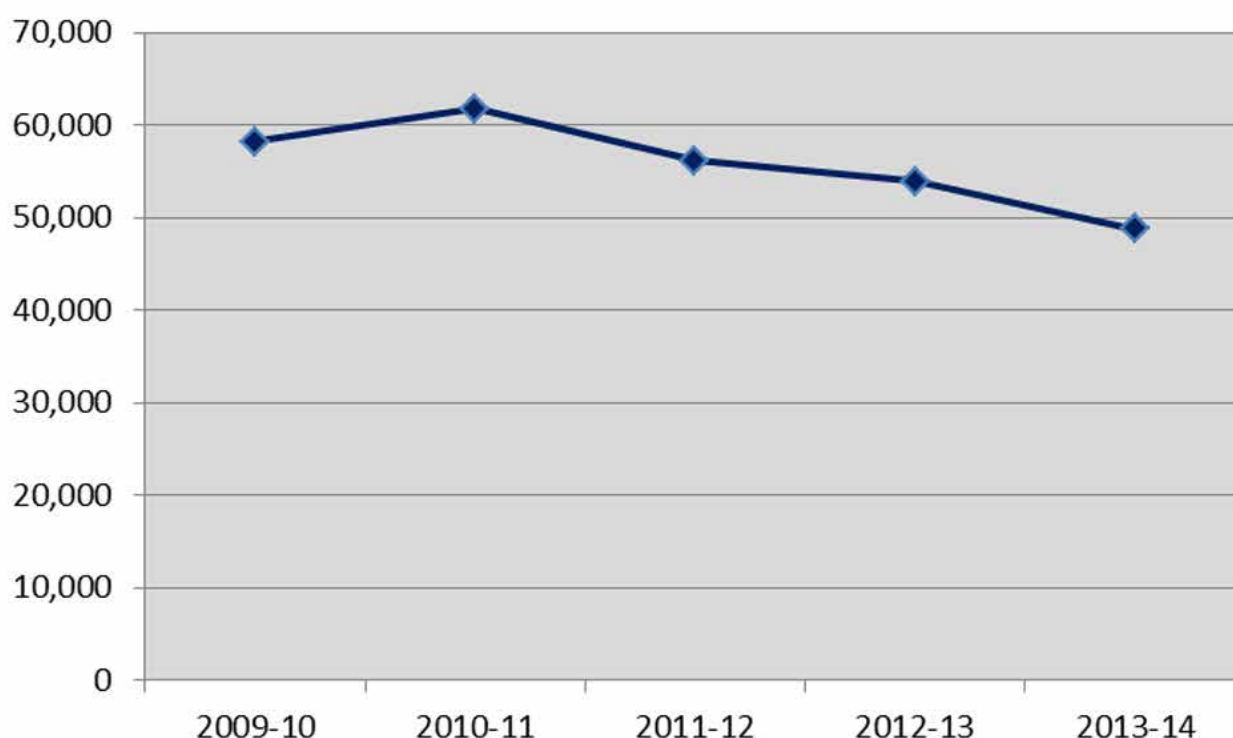
## Civil Business

To facilitate the efficient disposal of civil business

- 98% of civil bills will be allocated a hearing date within 15 weeks of receiving a certificate of readiness;  
(In 2013-14 we achieved 100%)
- 98% of claims for Clinical Negligence will be listed for review before the Master within 15 months of receipt of the writ (applicable to writs lodged since 2011);  
(In 2013-14 we achieved 99%)
- 98% of claims for Personal Injury will be listed for review within three months of receipt of the certificate of readiness;  
(In 2013-14 we achieved 100%)
- 98% of all other writs lodged in the Queen's Bench Division will be listed for review within three months of being set down;  
(In 2013-14 we achieved 98%)
- 97% of petitions for bankruptcy (presented by creditors) will be listed for hearing within six weeks;  
(In 2013-14 we achieved 100%)
- 97% of petitions for bankruptcy (presented by debtors) will be listed for hearing within two weeks;  
(In 2013-14 we achieved 97%)
- 85% of applications for Grant of Probate/Letters of Administration will be issued within seven days of receipt of correct information  
(In 2013-14 we achieved 99%)

The chart below shows the levels of civil business received over the past five years.

**Figure 2: Civil Business Received**



## Civil Court Business – Volumes, Disposals and Performance

Business Volumes Received	2013-14	% difference*
Total civil business	24,119	1%
Civil Bills (Notice of Intentions to Defend)	7,641	18%
Small Claims	11,812	-1%
Writs set down	1,114	-35%
Mortgages received	3,552	-8%
Business Volumes disposed		
Total civil business	25,606	-10%
Ordinary Civil Bills	8,639	-10%
Small Claims	10,286	-5%
Writs disposed	3,957	-21%
Mortgages disposed	2,724	-11%
Sittings		
Total civil sittings	2,725	2%
County Court	1,939	2%
Queen's Bench	580	1%
Chancery	206	2%
Performance against a target of compliance		
Writs set down (98%)	98%	-1pp
Petitions for bankruptcy (presented by creditors)	100%	0pp

\* compared with equivalent data for the 2012-13 period

pp – percentage point

## Family Business

To facilitate the efficient disposal of family business<sup>5</sup>

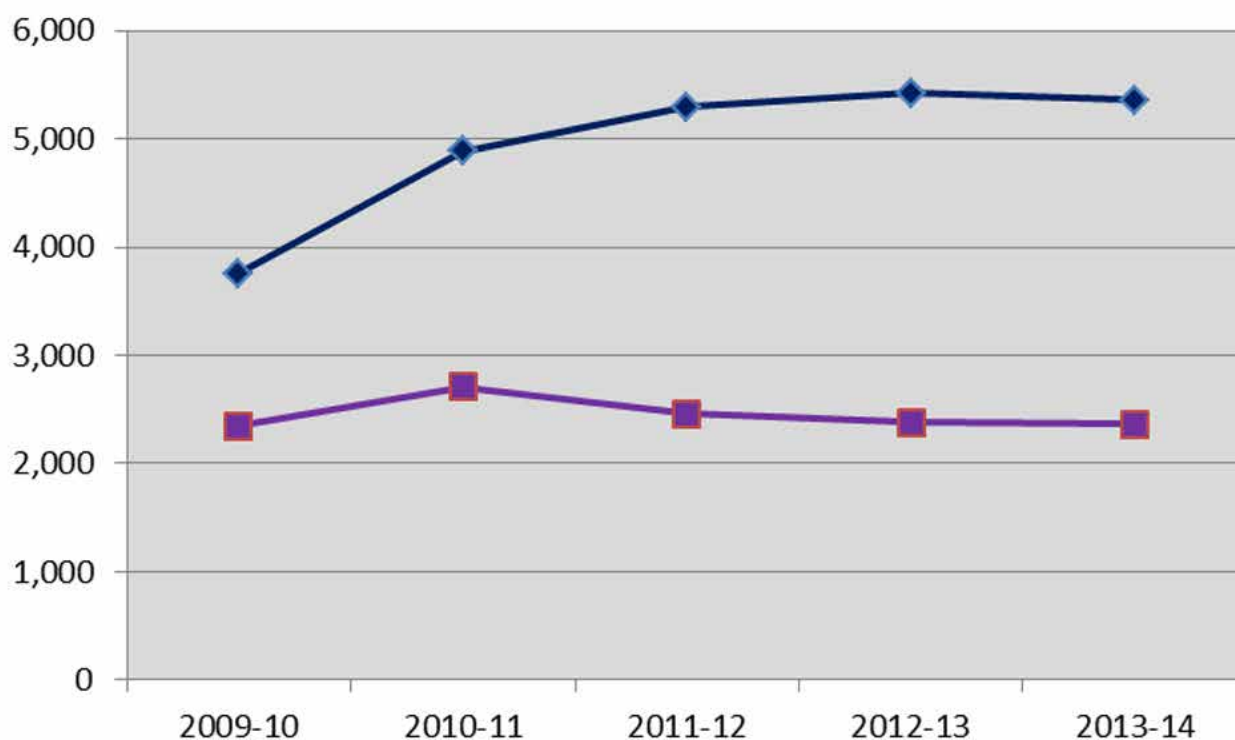
- 90% of Children Order applications will be listed for first directions within six weeks of receipt of correct information;  
(In 2013-14 we achieved 98%)
- 95% of annual accounts filed by Controllers will be reviewed by the Office of Care and Protection within six weeks of receipt;  
(In 2013-14 we achieved 99%)
- 95% of orders appointing Controllers in patients' cases will be listed within 14 days of receipt of all required information;  
(In 2013-14 we achieved 99%)
- 95% of applications for Enduring Power of Attorney (where no objection has been lodged) will be registered within 40 days of receipt of all required paperwork;  
(In 2013-14 we achieved 100%)

<sup>5</sup> The courts seek to attain the requirement prescribed in the Children (Northern Ireland) Order 1995 that any matter relating to children will be dealt with expeditiously. Any steps in the process will be informed by that statutory imperative and by the provisions of the Case Management Protocol for Public Law cases.

- 97% of undefended divorces and dissolution of civil partnerships will be listed for hearing within six weeks of receipt of certificate of readiness;  
(In 2013-14 we achieved 99%)

The chart below shows the levels of family business received over the past five years.

**Figure 3: Family Business Disposed**



### Family Court Business – Volumes, Disposals and Performance

Business Volumes Received	2013-14	% difference*
Children Order applications	5,841	-2%
Divorces received	2,434	-7%
Business Volumes disposed		
Children Order applications	5,360	-2%
Divorces disposed	2,366	0%
Sittings		
Children Order	1,746	8%
Performance against a target of 90% compliance		
Children Order	98%	0pp

\* compared with equivalent data for the 2012-13 period

pp – percentage point

### Coroners Service Business

To facilitate the efficient disposal of Coroners Service business

- 97% of all deaths investigated that do not require a post-mortem examination will have the certificate of registration issued to the Registrar of Deaths within three working days of the death being reported to the Coroner;  
(In 2013-14 we achieved 99%)

- 92% of all deaths where a post-mortem examination reveals a natural cause of death will have the certificate of registration issued to the Registrar of Deaths within five working days of receipt of the post-mortem report;  
(In 2013-14 we achieved 97%)
- 92% of inquests will have administrative listing arrangements completed within 28 days of the Coroner's direction to list;  
(In 2013-14 we achieved 96%)

## Coroners Service Business – Volumes and Performance

Business Volumes	2013-14	% difference*
Deaths reported	3,856	-2%
Post mortems with no inquest	1,124	7%
Inquests held	140	10%
No post mortem and no inquest	1,872	-4%
Other disposals of registered entries	719	-2%
<b>Performance against a target of compliance</b>		
Post mortem not required	99%	0%
Post mortem reveals natural case of death	97%	0%

\* compared with equivalent data for the 2012-13 period

## Court Funds Office

To facilitate the efficient disposal of CFO business:

- CFO receipts  
98% of receipts will be credited to client accounts within two working days of the receipt of the relevant documentation;  
(In 2013-14 we achieved 99.3%)
- CFO payments  
98% of payments will be made within 10 working days of the receipt of the relevant documentation;  
(In 2013-14 we achieved 99.9%)
- Sales of CFO investments  
98% of sales will be executed within three working days of the receipt of the relevant court authority;  
(In 2013-14 we achieved 99.2%)  
  
98% of sales proceeds will be credited to the client's account within two working days of the receipt of the bank statement;  
(In 2013-14 we achieved 99.7%)
- Purchase of CFO investments  
98% of purchases will be executed within three working days of the receipt of the relevant court authority (or sufficient funds becoming available, if later);  
(In 2013-14 we achieved 98.2%)
- Customer services  
98% of letters of confirmation that funds have been received by CFO will be issued within 5 working days of the receipt of funds (or notification of the appointment of a controller, if later);  
(In 2013-14 we achieved 98.7%)

- CFO Accounts

Draft accounts to be issued to C&AG for Northern Ireland by 30 November 2013.  
(This was achieved in 2013-14)

## Enforcement of Judgments Office and Taxation Office Business

To facilitate the efficient disposal of EJO and Taxation Office business

- Produce 90% of Notices of Intention within two weeks of receipt;  
(In 2013-14 we achieved 92%)
- Accept 90% of Enforcement Applications within two weeks of receipt;  
(In 2013-14 we achieved 83%)
- Allocate a date for repossession in 90% of cases within seven weeks of acceptance;  
(In 2013-14 we achieved 81%)
- Complete 82% of repossessions within 26 weeks of acceptance;  
(In 2013-14 we achieved 71%)
- Produce summonses for interview in 90% of all debt cases within five weeks of acceptance;  
(In 2013-14 we achieved 76%)
- Process 95% of priority casework within two weeks;  
(In 2013-14 we achieved 73%)
- Accept 90% of Taxation Applications within four weeks;  
(In 2013-14 we achieved 100%) and
- Produce 95% of Taxation Assessments within three weeks.  
(In 2013-14 we achieved 99%)

## Enforcement of Judgments Office Business Volumes

Business Volumes	2013-14	% difference*
Total money recovered by the Enforcement process	£7.1m	-6%
Notices of Intent to Enforce a Judgment	19,971	7%
Applications to Enforce a Judgment	12,990	23%
Applications for Repossession	1,733	-19%
Repossessions	1,629	30%
<b>Performance against a target of compliance</b>		
Produce Notices of Intention	92%	-4%
Accept Enforcement Applications	83%	-9%
Produce summons for interview	76%	6%
Process priority casework	73%	5%

## Court of Judicature of Northern Ireland Taxing Office Business

Business Volumes	2013-14	% difference*
Taxing Applications Lodged	1,755	4%
Taxing Assessments Completed	1,869	4%
Taxing Certificates Issued	1,955	-2%
Performance against a target of compliance		
Accept Taxation Applications	100%	2%
Produce Taxation Assessments	99%	7%

\* Compared with equivalent data for the 2012-13 period

## Parole Commissioners Secretariat - Volumes and Performance

To facilitate the efficient delivery of support to Parole Commissioners:

- 95% of cases will be listed within five working days of receipt from DOJ;  
(In 2013-14 we achieved 98%)
- 95% of all provisional directions will be issued within five working days of receipt from a Commissioner;  
(In 2013-14 we achieved 100%)

## Parole Commissioners Secretariat - Volumes

Business Volumes	2013-14	% difference*
Lifers	66	-14%
ICS/ECS	148	47%
DCS	366	17%
Performance against a target of compliance		
List cases	98%	N/A
Issue provisional directions	100%	N/A

\* Compared with equivalent data for the 2012-13 period

N/A – target introduced in 2013-14

## Tribunal Business

To facilitate the efficient disposal of tribunal business.

### Northern Ireland Valuation Tribunal (NIVT)

- 98% of NIVT cases will be listed within eight weeks of agreed papers being received;  
(In 2013-14 we achieved 98%).

### Social Security and Child Support Commissioner (OSSC)

- 98% of applications for leave to appeal to the Social Security Commissioner will be listed for hearing within seven weeks of a Commissioner's direction;  
(In 2013-14 we achieved 74%).

### Pension Appeals Tribunal (PAT)

- 90% of pension appeals will be listed for hearing within 12 weeks of agreed papers being received;  
(In 2013-14 we achieved 99%).

### **Northern Ireland Traffic Penalty Tribunal (NITPT)**

- 90% of NITPT postal/in person applications will be listed for hearing within six weeks of agreed papers being received;  
(In 2013-14 we achieved 100%).

### **Criminal Injuries Compensation Appeals Panel NI (CICAPNI)**

- 98% of CICAPNI cases will be listed within 16 weeks of agreed evidence bundle being received;  
(In 2013-14 we achieved 100%)

### **Special Educational Needs and Disability Tribunal (SENDIST)**

- 90% of SENDIST appeals will be listed within seven weeks from the end of the case statement period;  
(In 2013-14 we achieved 89%).

### **Mental Health Review Tribunal (MHRT)**

- 83% of MHRT appeals will be disposed of within eight weeks of receipt  
(In 2013-14 we achieved 87%).

### **Northern Ireland Charity Tribunal (NICT)**

- 95% of Charity appeals will be listed for hearing within six weeks of agreed evidence being received;  
(In 2013-14 we achieved 100%).

### **Health and Safety Tribunal (NIHST)**

- 95% of Health and Safety Appeals will be listed within six weeks of agreed papers being received;  
(No appeals received to date)

### **Care Tribunal**

- 97% of Care appeals will be listed for preliminary hearing within six weeks of agreed papers being received;  
(In 2013-14 we achieved 100%).

### **Lands Tribunal**

- 95% of notifications of cases submitted to the Tribunal will issue within three working days of registration;  
(In 2013-14 we achieved 98%)

### **The Appeals Tribunal\***

- The first hearing for Disability Living Allowance and Attendance Allowance appeals will be within nine weeks of receipt of appeal by the Appeals Tribunal\*;  
(In 2013-14 the average time taken was 14.52 weeks)
- The first hearing for Employment and Support Allowance appeals will be within eight weeks of receipt of appeal by the Appeals Tribunal\*;  
(In 2013-14 the average time taken was 17.96 weeks)
- The first hearing for Income Support; Job Seekers Allowance; Social Fund and Incapacity Benefit appeals will be within eight weeks of receipt of appeal by the Appeals Tribunal\*;  
(In 2013-14 the average time taken was 8.18 weeks)

- The first hearing for all jurisdictions will be within nine weeks of receipt of appeal by the Appeals Tribunal;  
(In 2013-14 the average time taken was 16.18 weeks)

\* reporting against the standards is based on averages

## Tribunal Business – Volumes and Performance

Business Volumes Received	2013-14	% difference
<b>Total Tribunal Business</b>	<b>21,114</b>	<b>-15%</b>
Care Tribunal	4	33%
Charity Tribunal	10	400%
Criminal Injuries Compensation Appeals Panel	506	-7%
The Health and Personal Social Services Disqualification Tribunal**	N/A	N/A
Health and Safety Tribunal	N/A	N/A
Lands Tribunal	139	-12%
Mental Health Review Tribunal	304	11%
Northern Ireland Traffic Penalty Tribunal	570	18%
Northern Ireland Valuation Tribunal	53	-42%
Office of the Social Security and Child Support Commissioner	232	-10%
Pensions Appeal Tribunal	143	37%
Rent Assessment Panel	15	200%
Special Educational Needs and Disability Tribunal	121	19%
The Appeals Tribunal	19,016	-17%

\* This standard is set by the Tribunal President.

\*\* No cases have been received in 2013-14. Standard is subject to review.

Business Volumes Disposed	2013-14	% difference*
<b>Total Tribunal Business</b>	<b>24,382</b>	<b>23%</b>
Care Tribunal	3	-25%
Charity Tribunal	10	N/A
Criminal Injuries Compensation Appeals Panel	479	-27%
The Health and Personal Social Services Disqualification Tribunal**	0	N/A
Health and Safety Tribunal**	0	N/A
Lands Tribunal	170	-6%
Mental Health Review Tribunal	307	15%
Northern Ireland Traffic Penalty Tribunal	538	15%
Northern Ireland Valuation Tribunal	62	7%
Office of the Social Security and Child Support Commissioner	232	-11%
Pensions Appeal Tribunal	128	-14%
Rent Assessment Panel	16	100%
Special Educational Needs and Disability Tribunal	114	16%
The Appeals Tribunal	22,323	27%

\* This standard is set by the Tribunal President.

\*\* No cases have been received or disposed in either 2012-13 or 2013-14. Standard is subject to review.

## Appendix 1

## Court Divisions &amp; Map



Division	County Court Division	Petty Sessions District
<b>Belfast</b>	Belfast	Belfast and Newtownabbey
<b>Londonderry</b>	Londonderry	Londonderry, Magherafelt, Limavady
<b>Craigavon</b>	Craigavon	Craigavon, Lisburn
<b>Antrim</b>	Antrim	Antrim, Ballymena, Larne, North Antrim
<b>Armagh</b>	Armagh	Armagh, Banbridge (sitting at Newry), Newry and Mourne
<b>Omagh</b>	Omagh	East Tyrone, Fermanagh, Omagh, Strabane
<b>Newtownards</b>	Newtownards	Ards, North Down, Castlereagh, Down

## Appendix 2

# Northern Ireland Courts and Tribunals Structure

## The Court of Appeal

Hears appeals on points of law in criminal and civil cases from all courts

## The High Court

Hears complex or important civil cases and appeals from County Courts

## County Courts

Hears a wide range of civil actions including small claims and family cases

## The Crown Court

Hears all serious criminal cases

## Coroners' Courts

Investigates unexplained deaths

## Magistrates' Courts

(including Youth Courts and Family Proceedings Courts)

Hears the majority of criminal cases and civil and family cases

## Northern Ireland Tribunals

Social Security & Child Support Commissioners

Appeals Tribunal\*

Rent Assessment Panel\*

Care Tribunal

Charities Tribunal

Criminal Injuries Compensation Appeals Panel

Health & Safety Tribunals

The Valuation Tribunal

Mental Health Review Tribunal

Northern Ireland Traffic Penalty Tribunal

Pensions Appeal Tribunal

Special Educational Needs and Disability Tribunal

The Lands Tribunal

Health & Personal Social Services Disqualification Tribunal

\*These tribunals are administered by NICTS under an Agency agreement with DSD

## Appendix 3

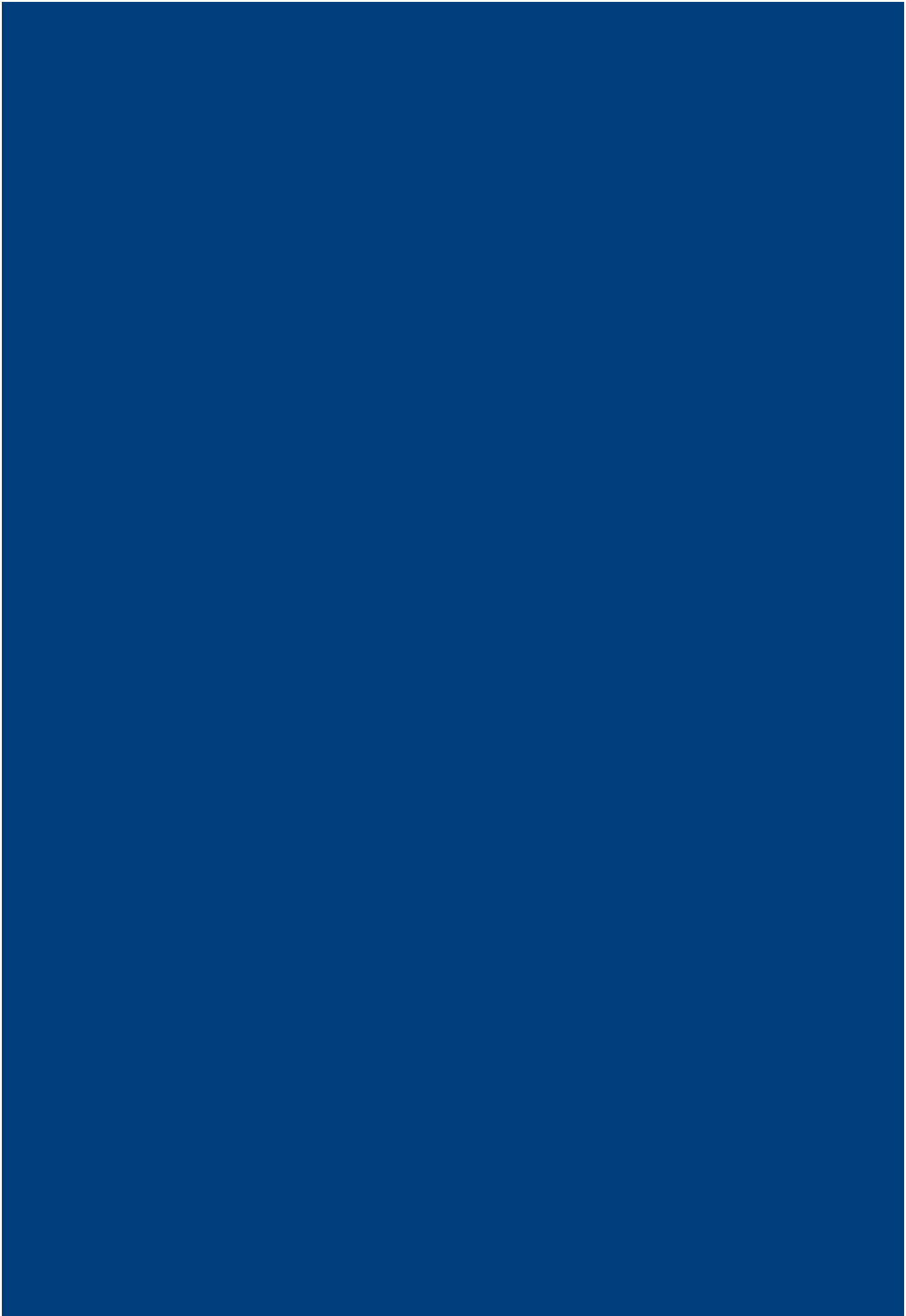
## Judicial Complement in Northern Ireland

**Judicial complement of salaried and fee paid judicial officers in Northern Ireland as at 31 March 2013:**

Lord Chief Justice	1
Lord Justices of Appeal	3
High Court Judges*	10
County Court Judges	17
District Judges (Magistrates' Courts)**	21
District Judges (County Court)	4
High Court Masters	7
Social Security and Child Support Commissioners	2
Coroners	3
Lands Tribunal Member	1
Appeal Tribunal Commissioners	2
<b>Total</b>	<b>71</b>
Lay Magistrates	176
Fee Paid Tribunal members	345
Number of Deputy and fee paid Judicial Officers	65
Parole Commissioners	<b>41</b>

\* One on secondment to Asylum and Immigration Tribunal

\*\* Includes two part-time



Northern Ireland Courts and Tribunals Service  
Laganside House  
23-27 Oxford Street  
Belfast  
BT1 3LA

[www.courtsni.gov.uk](http://www.courtsni.gov.uk)



ISBN 978-1-909751-21-7



9 781909 751217 >