



Annual Report and Accounts

For the Period 1 April 2014 - 31 March 2015



NORTHERN IRELAND POLICING BOARD

NORTHERN IRELAND POLICING BOARD

**ANNUAL REPORT AND ACCOUNTS TOGETHER WITH THE
CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL FOR THE PERIOD 1 APRIL 2014 – 31 MARCH 2015**

**LAI D BEFORE THE NORTHERN IRELAND ASSEMBLY IN ACCORDANCE
WITH PARAGRAPH 16 OF SCHEDULE 1 TO THE POLICE (NI) ACT 2000
AS AMENDED BY THE POLICE (NI) ACT 2003 AND NORTHERN
IRELAND ACT 1998 (DEVOLUTION OF POLICING AND JUSTICE
FUNCTIONS) ORDER 2010 ON 2 JULY 2015.**

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Any enquiries related to this publication should be sent to us at:

Waterside Tower, 31 Clarendon Road, Belfast BT1 3BG or email:

information@nipolicingboard.org.uk

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Any enquiries regarding this document/publication should be sent to the Communications Branch of the Policing Board at the above address.

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1.0 CHAIR'S FOREWORD



I am pleased to present this Annual Report and Accounts for the period 1 April 2014 to 31 March 2015.

Policing in Northern Ireland continues to face new challenges and further changes. This year has been no different and the issue undoubtedly dominating debate has been the budget pressures facing policing, both now and into the future.

At such times of change, effective scrutiny and oversight of policing is critically important. Delivering budget efficiencies on such a scale has required the PSNI to examine priorities and bring to the Board plans on the use of resources. With future pressures on public sector funding inevitable, this work will be ongoing in preparation for the next comprehensive spending review period.

In times of change, leadership is also important. Since appointment, Chief Constable Hamilton has been discussing with the Board plans for restructuring the PSNI to align with changes arising from Local Government Reforms. New measures have also been developed to deliver efficiencies across the service and to improve organisational effectiveness through a programme of continuous improvement.

The Policing Plan provides the statutory framework for the Board to measure and assess the performance of the police. Police performance against the Plan is the focus of regular scrutiny at the Board and through its Committees. In this Annual Report a detailed assessment is provided against the 2014-15 Policing Plan. Despite the oversight throughout the year and questions raised, Board Members are disappointed that the PSNI failed to meet the majority of the targets set. For the 2015-16 period even more challenging targets have been put in place and the Board will be bringing more focus to this area of oversight in the time ahead and in developing a new Policing Plan for 2016-19.

The new Chief Constable is an advocate for the importance of accountability and is keen to ensure that officers realise the benefits in terms of how it helps their work and in building confidence in the community.

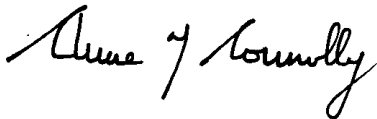
The Board's oversight of Human Rights is a recognised model of best practice and in February the tenth Annual Report was published. Since the first report was published, the PSNI has implemented 210 recommendations made by the Board which have improved how the police meet their human rights responsibilities in areas such as public order, engagement with young people and use of force. The PSNI are to be commended for their work in this area.

This year has also brought changes to the network of Policing and Community Safety Partnerships. Reducing from 26 to 11 in line with the new Council structures, the appointment process for new independent members is now being finalised by the Board. Working with the Department of Justice the Board looks forward to the newly constituted Partnerships continuing their work in the community on policing and community safety matters.

Looking forward, the Board will also be undergoing some change and has some new areas of responsibility to manage. On 20 May 2015, the Board's oversight role in respect of the National Crime Agency (NCA) commenced. A robust accountability framework has been developed to provide assurances around the operation and work of the NCA with the PSNI in Northern Ireland. The legislation sets out the key statutory duties of the Board and a Memorandum of Understanding has been agreed which sets out the accountability duties and responsibilities of the Director General of the NCA to the Board. In addition to the scrutiny measures, the Board want to make sure that the particular expertise and capacity that NCA will bring to policing operations here is measured and value for money is achieved. The Board looks likely to be given new responsibilities in respect of the proposed Historical Investigations Unit and plans will be developed around this in the period ahead.

At the time of writing this foreword, the Justice Minister is finalising the appointment of new Independent Members for the Board. I am very proud of the work of the Board and the significant contribution Board Members make to policing oversight and accountability.

On a personal level, as my tenure as Chair of the Board comes to a close, I would wish to put on record my sincere thanks to fellow Board Members, staff of the Board and all those whose work contributes to improving policing services to the community for their support and assistance. I would also wish to record my appreciation to the officers and staff of the PSNI for their work in keeping people safe and for the professional job they do on our behalf.

A handwritten signature in black ink that reads "Anne Connolly". The signature is written in a cursive style with a large initial 'A' and a long, sweeping underline.

Anne Connolly
Board Chair

2.0 INTERIM CHIEF EXECUTIVE'S FOREWORD



This report provides a detailed account of progress over the last year and also sets out how the Board has worked to meet its statutory and legislative duties.

Since my appointment as Accounting Officer, I have had responsibility for maintaining a sound system of internal control that supports the achievement of the NI Policing Board's policies, aims and objectives, whilst safeguarding public funds and Board assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland*.

I am directly accountable to the Accounting Officer of the Department of Justice (DOJ) for Northern Ireland and may be called to appear before the NI Assembly's Justice and Public Accounts Committees. The responsibilities of an Accounting Officer are set out in the Police (NI) Act 2000 and in the DFP publication, *Managing Public Money Northern Ireland*.

Having reviewed the evidence provided to me by the management assurance exercises, the risk registers, the 2014-15 annual internal audit report and the external audit of the Board, I am satisfied that the Board has maintained a sound system of internal control during the financial year 2014-15.

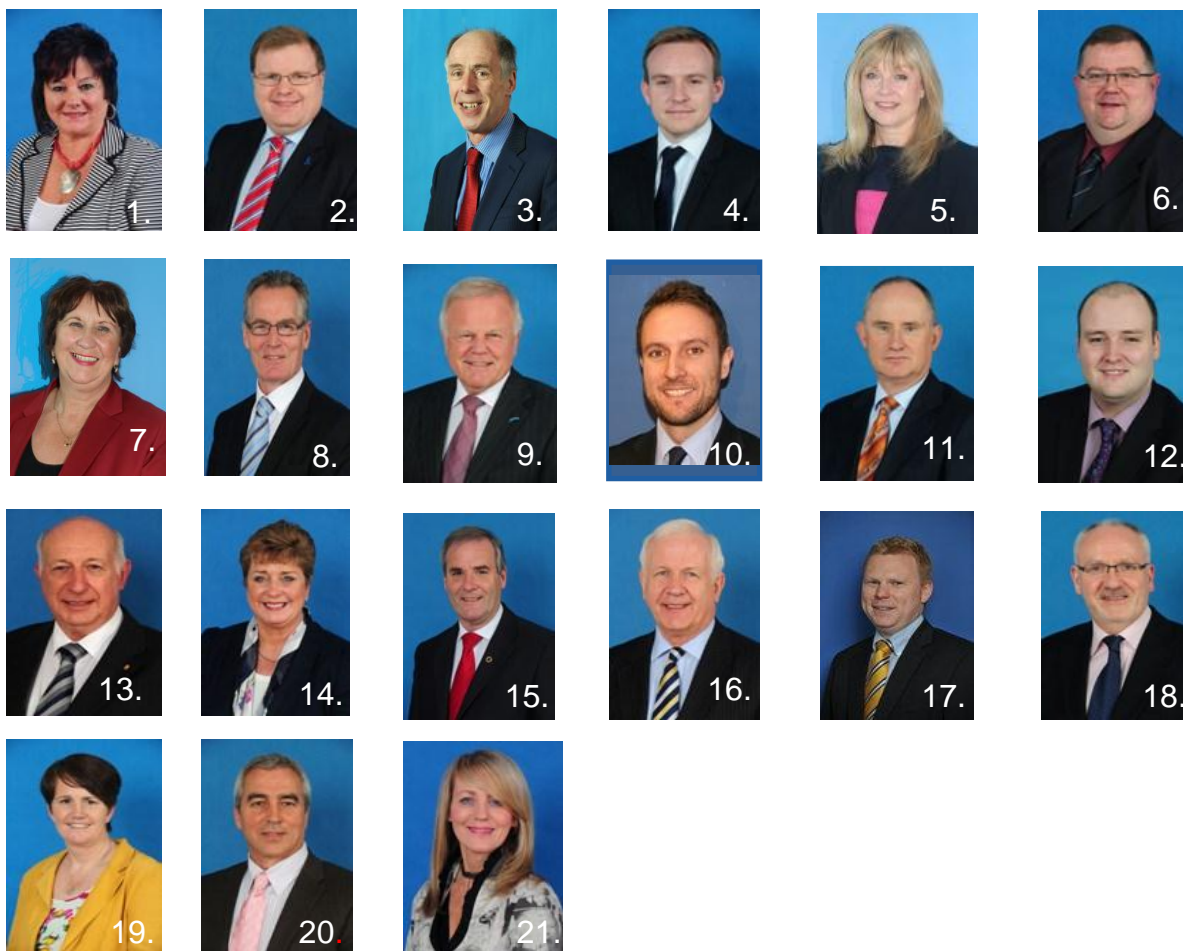
I am therefore pleased to present a full and audited Statement of Accounts for the Board in the reporting period.

A handwritten signature in black ink, which reads "Barney McGahan". The signature is written in a cursive, flowing style.

Barney McGahan
Interim Chief Executive

3.0 POLICING BOARD MEMBERSHIP

The Board is made up of ten political members and nine independent members.
From 1 April 2014 – 31 March 2015 Board membership comprised:



1. Anne Connolly, Independent member (Chair)
2. Jonathan Craig MLA, Political member DUP
3. Brice Dickson, Independent member
4. Ryan Feeney, Independent member
5. Brenda Hale MLA*, Political member DUP
6. Ross Hussey MLA, Political member UUP
7. Dolores Kelly MLA, Political member SDLP
8. Gerry Kelly MLA, Political member SF
9. Trevor Lunn MLA*, Political member Alliance
10. Chris Lyttle MLA*, Political member Alliance
11. Stuart MacDonnell, Independent member (Vice Chair)
12. David McIlveen MLA, Political member DUP
13. Robin Newton MLA, Political member DUP
14. Joan O'Hagan, Independent member
15. Gearóid Ó hEáira, Independent member
16. Brian Rea, Independent member
17. Alastair Ross MLA*, Political member DUP
18. Brian Rowntree, Independent member
19. Caitríona Ruane MLA, Political member SF
20. Pat Sheehan MLA, Political member SF
21. Deborah Watters, Independent member

*Alastair Ross MLA 1/4/14 – 24/9/14
*Brenda Hale MLA appointed 25/9/14
*Chris Lyttle MLA 1/4/14 – 7/10/14
*Trevor Lunn MLA appointed 8/10/14

Full details of each of the current Board Member's biographical information and register of interests can be obtained from the website at www.nipolicingboard.org.uk. Details of Board Members' remuneration for the period 1 April 2014 – 31 March 2015 can be found in the Remuneration Report at Section 6.0 and are also published on the Board's website.

4.0 MANAGEMENT COMMENTARY

Strategic Report

History

The Board replaced the Police Authority for Northern Ireland and was established as an executive Non-Departmental Public Body (NDPB) of the Northern Ireland Office (NIO) on 4 November 2001 by the Police (NI) Act 2000, as amended by the Police (NI) Act 2003.

On 12 April 2010, justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice (DOJ) came into existence as a new Northern Ireland Department. From this date, the Board became an executive NDPB of the DOJ.

In accordance with the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Annual Report and Accounts of the Board are laid in the Northern Ireland Assembly.

The Board complies with the corporate governance and accountability framework arrangements (including *Managing Public Money Northern Ireland*) issued by the Department of Finance and Personnel (DFP) and the DOJ.

The Board's Interim Chief Executive, who is the Accounting Officer for the Board, reports directly to the Permanent Secretary who is the Principal Accounting Officer of the DOJ.

Principal Activities

The Board's statutory duty is to ensure that the PSNI is effective and efficient and to hold the Chief Constable to account. Its primary responsibilities are:

- To consult with the community to obtain their views on policing and their co-operation with the police in preventing crime;
- To set and publish objectives and targets for PSNI as part of an Annual Policing Plan and to monitor PSNI performance against this plan;
- To appoint all officers of the Service above the rank of Chief Superintendent;
- To set the budget for policing and monitor expenditure;

- To oversee complaints against the police and to conduct investigations into complaints against senior officers; and
- To monitor PSNI Human Rights compliance with the Human Rights Act 1998.

The Board continues to seek all opportunities to ensure for all the people of Northern Ireland the delivery of an effective, efficient, impartial, representative and accountable police service which will secure the confidence of the whole community by reducing crime and the fear of crime. Detail of the work of the Board for the current year is included in Section 5 of this Report.

On 1 April 2012 Policing and Community Safety Partnerships (PCSPs) were established in statute due to the enactment of legislation in the Justice Act 2011. In line with the restructuring of local council boundaries as a result of Local Government Reform, PCSPs will reduce from 26 to 11. Belfast will retain four District Policing and Community Safety Partnerships (DPCSPs). Further information can be found in section 5 of this report.

Going Concern

The Statement of Financial position as at 31 March 2015 shows net liabilities of £1,809k. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the Board's other sources of income, may only be met by future grants or grants-in-aid from the Board's sponsoring Department, the DOJ.

Grants from the Board's sponsor Department for 2014-15 take into account the amounts required to meet the Board's liabilities falling due in that year and have already been included in the Department's estimates for that year. These had been approved by the NI Assembly, and there is no reason to believe that the Department's future sponsorship and future NI Assembly approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

Performance against Key Performance Indicators (KPI's)

The Board's KPI's are detailed in its 2014-15 Business Plan.

There are 48 targets in the Plan, 38 were achieved, 8 were partially achieved and 2 were not achieved.

Further information on the Board's performance against the Business Plan is contained in Section 5 of this Report.

Social and Community Issues

The Board recognises that it has specific responsibilities which fall under the heading of social and community issues. These are primarily delivered through the work of the Partnership Committee in supporting the work of PCSPs and in developing and implementing a programme of community engagement for the Policing Board.

The Board takes account of its responsibilities under the Programme for Government and in particular to Priority 3 - 'Protecting Our People, the Environment and Creating Safer Communities'. The Board continues to support the DOJ in progressing the procurement for the development of the new Police, Prison and Fire Training College (now known as the NI Community Safety College at Desertcreat), the future of which is currently with the NI Executive for direction. The Board also supported the establishment of PCSPs, reducing the level of serious crime and tackling crime against older and vulnerable people.

The Board also contributes to the achievement of the strategic aims set in the 'Policing with the Community 2020 Strategy' in supporting PSNI engagement, partnership and service delivery to improve public safety and deal with crime and disorder. In holding the Chief Constable to account for the delivery of good policing and supporting the community to work with the police co-developing solutions around local policing issues, the Board is working to build collaboration and trust between the police and the community. The development of good relations between the Board, the police and the community is crucial and requires that commitment and leadership is taken forward by the Board under the Strategic Framework for Good Relations in Northern Ireland.

The work of the Board is being implemented in line with responsibilities set out in Section 75 of the Northern Ireland Act 1998 to promote equality of opportunity and to promote

good relations between persons of different religious beliefs, political opinions or racial groups from diverse backgrounds and communities.

Policing Board Community Engagement

The Board has a programme of work to support engagement with communities who are more vulnerable to becoming the victim of crime or who traditionally have mistrusted or been disengaged from policing, and in particular, young people and disadvantaged communities. In doing this the Board identifies the issues which have a negative impact on community confidence in policing and that improvement will be brought through effective engagement to support community confidence in policing and the public co-operation in preventing crime.

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

Barney McGahan
Interim Chief Executive
19 June 2015

Board Report

Summary of Financial Information and Review of the Business

The Board is resourced by funds approved by the NI Assembly through the latest comprehensive spending review. The budget for 2014-15 was £6,960k.

The Board's expenditure against budget is reported monthly in the Management Accounts which are scrutinised by the Resources Committee, with in-year pressures and easements reported to the DOJ through the formal process of quarterly monitoring rounds.

The budget and actual expenditure for 2014-15 is shown below:

Expenditure heading	Budget £000	Actual £000
Resource DEL		
Salaries	2,438	2,457
PCSPs	2,277	2,148
Other	1,855	1,819
Cash payment of provisions	140	221
PCSP Recruitment	250	175
Total Resource DEL	6,960	6,820
Resource AME	160	94
Cash requirement	6,941	6,754
Capital DEL	127	126

The Statement of Comprehensive Net Expenditure is set out in the Financial Statements with supporting notes in the pages that follow.

Basis of Accounts

The Accounts have been prepared in accordance with an Accounts Direction issued by the DOJ on 9th April 2015, requiring the accounts to present a true and fair view and compliance with the Government Financial Reporting Manual (FReM).

Interest Rate and Currency Risk

The Board has no borrowings, relies on the DOJ for its cash requirements and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, therefore it is not exposed to interest rate risk or currency risk.

Risk

The Board's policy on managing risk, the NIPB Risk Management Framework, details the roles and responsibilities of those parties involved in the process. This is detailed in the Interim Chief Executive's Governance Statement on pages 68-82.

Events after the Reporting Period

No event as defined in International Accounting Standard 10 has occurred subsequent to the year-end that requires disclosure, except as disclosed in Note 18 of the Accounts.

Property, Plant and Equipment

Movements in property, plant and equipment are disclosed in Note 6 to the Financial Statements. The Board does not believe there is any material difference between the market and net book value of its assets.

Payments to Suppliers

The Board's policy is to pay bills from suppliers within ten working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. During this year the Board achieved a prompt payment performance of 100% (2013-14: 98.4%) of all properly rendered invoices within ten days.

Charitable Donations

No charitable donations were made in the year. (2013-14: £Nil)

Audit

Financial statements for 2014-15 are audited by the Comptroller and Auditor General for Northern Ireland (C&AG), who heads the Northern Ireland Audit Office (NIAO), is appointed by statute and reports to the NI Assembly. His certificate is produced at pages 83-85.

The Accounting Officer believes there is no relevant audit information of which the Board's auditor is unaware and has taken all necessary steps to make himself aware of any relevant audit information and to establish that the Board's auditor is aware of that information.

The audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these Financial Statements, was £15,000 (2013-14: £15,000).

The C&AG carried out an annual review of the Board's obligations under Part V of the Police (NI) Act 2000 to provide an independent assessment of the Board's approach to Best Value/Continuous Improvement and made conclusions which resulted in an unqualified audit opinion for the year 2014-15. Further information on this and prior year Internal Audit Reports where limited assurance was given is detailed in the Interim Chief Executive's Governance Statement on pages 68-82.

Staffing

At 31 March 2015 the staff of the Board comprised 27 seconded civil servants from the Northern Ireland Civil Service and 23 direct recruits appointed following public advertisement.

The breakdown by gender was 22 male and 28 female.

Further information on the Board's staff can be found in Section 5 of this Report.

Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI) (PCSPS)(NI). Detailed information on Pensions can be found in the Remuneration Report and in the Notes to the Financial Statements.

Members

Full details of the Register of Members Interests can be obtained on the Board website or by written request to the Board.

Off Payroll Engagements

During the year the Board engaged the services of the following at a cost exceeding £58,200 where the contract for services stated the individual was liable for their own taxes to HMRC.

The number of engagements at 1 April 2014	The number of new engagements	The number of engagements that came onto payroll	The number of engagements terminated during the year	The number of engagements at 31 March 2015
1	-	-	-	1

Sick Absence Data

During the year the level of staff absence due to sickness was 4.79% (2013-14: 6.62%).

Data Protection Act

The Data Protection Act 1998 (DPA) means individuals have the right to access information held about them by public authorities. The request is known as a 'Subject Access Request' and the public authority must provide the information promptly and no later than 40 calendar days after the request has been received, unless there are grounds for withholding information.

During the period of 1 April 2014 - 31 March 2015, the Board has:

- Received 25 Subject Access Requests under the DPA 1998.

Reporting of Personal Data Related Incidents

Departments are required by Central Government to monitor their 'information risk management' in line with policy and Information Commissioner's Guidance to provide an annual report. The Board has reported every year since 2004-05 and to date has no protected personal data incidents to report. There were no incidents to report in the reporting period of 1 April 2014 - 31 March 2015. The Board will continue to monitor and assess its information risk to identify any weaknesses and to ensure continuous improvement of its systems.

Sustainability Report

Environmental Issues

The Board operates a number of effective schemes in relation to its environmental policy, including:

- Recycling dry office waste products, printer cartridges, plastic and aluminium; and
- Reducing energy consumption through a range of measures (such as motion activated lighting and automated heating systems).

In implementing these schemes the Board has reduced its costs and the environmental impact of the organisation.

Carbon Reduction Scheme

The Board does not exceed the threshold of 6,000 MWh per year (average consumption is approximately 164 MWh per year) and is therefore not required under law to report on carbon emissions and purchase carbon allowances.



Barney McGahan
Interim Chief Executive
19 June 2015

5.0 THE WORK OF THE NORTHERN IRELAND POLICING BOARD

Policing Board Oversight Responsibilities

This section examines how the Board takes forward its programme of work and exercises the statutory oversight responsibilities.

Meetings in Public

Holding the PSNI to account for the delivery of the policing service to the community underpins all aspects of the Board's work. By law, the Board is required to hold at least eight meetings in public each year. At these meetings the Chief Constable reports on key policing issues and the Board questions him on issues related to policing in NI. Over 200 oral questions were raised during the ten public sessions held during 2014-15. In addition, 205 written questions were raised with the Chief Constable.

While Board meetings are normally held in the Board's offices in Clarendon Dock, Belfast, in November 2014 the Board held its meeting in public in Derry/Londonderry. The press and members of the public are welcome to attend the meetings in public to see the accountability mechanisms working. As in previous years, the Board was pleased to welcome a number of student groups and visitors from overseas.

Questions and issues raised at the meeting are tweeted live through the Board's Twitter Account @NiPolicingBoard and from September 2014 livestreaming of the public session was introduced so that those unable to attend can view the discussion through the Board's YouTube Channel. Verbatim recordings of the Board meetings in public are available on the Board's Facebook page at www.facebook.com/policingboard and details of Board questions and issues raised are published on the website and in the Board's ezine, Policing Matters.

In addition to meetings in public, the Board also meets in private session to consider other business. It has a number of Committees to progress more detailed aspects of its work.

Although these meetings are not open to the public, the agendas and minutes are published on the Board's website and are also available on request.

Committee Memberships 2014-15

The Board has four Committees, with an additional Board Business Co-Ordination Group to assist in co-ordinating the processing of business across Committees. A detailed list of each of the Committee's responsibilities can be obtained from the Board's website. Committee Membership as at 31 March 2015 was as follows:

Audit and Risk Management Committee

Mr Ross Hussey (Chairperson), Mr Brian Rowntree (Vice Chairperson), Mr David McIlveen, Mrs Joan O'Hagan, Mr Gearóid Ó hEára, Mrs Brenda Hale, Mr Pat Sheehan. During the reporting period, this Committee met on eight occasions to progress its responsibilities.

Partnership Committee

Mrs Dolores Kelly (Chairperson), Ms Debbie Watters (Vice Chairperson), Prof Brice Dickson, Mr Ryan Feeney, Mr Trevor Lunn, Mrs Brenda Hale, Mr Robin Newton, Mrs Joan O'Hagan, Ms Caitríona Ruane, Mr Pat Sheehan. During the reporting period, this Committee met on ten occasions to progress its responsibilities.

Performance Committee

Mr Jonathan Craig (Chairperson), Mr Gearóid Ó hEára (Vice Chairperson), Prof Brice Dickson, Mr Ryan Feeney, Mr Gerry Kelly, Mr Trevor Lunn, Mr David McIlveen, Mr Brian Rea, Ms Caitríona Ruane, Ms Debbie Watters. During the reporting period, this Committee met on fifteen occasions to progress its responsibilities.

Resources Committee

Mr Gerry Kelly (Chairperson), Mr Brian Rea (Vice Chairperson), Mr Jonathan Craig, Mr Ross Hussey, Mrs Dolores Kelly, Mr Robin Newton, Mrs Joan O'Hagan, Mr Gearóid Ó hEára, Mr Brian Rowntree, Mr Pat Sheehan. During the reporting period, this Committee met on eleven occasions to progress its responsibilities.

The Policing Board as an Organisation

Of the 48 Targets in the Board's Business Plan 2014-15:

- 38 were Achieved (79%);
- 8 were Partially Achieved (17%); and
- 2 were Not Achieved (4%).

A summary of the targets which were partially achieved is set below:

To provide the Board with a copy of the Injury on Duty Review by Senior Counsel by 30 June 2014. Members of the Board were provided with a copy of the Executive Summary and briefed by Senior Counsel in September 2014 with the full report made available to Members in November 2014.

To consider the findings of the Injury on Duty Review and agree an Implementation Plan with the DOJ and PSNI by 31 March 2015. The Implementation Plan was not agreed until April 2015.

To appoint senior police officers and staff within 5 months of being made aware of the vacancy and to ensure compliance with the Code of Practice for senior police officers and staff in line with relevant legislation. The Board decided to hold off on the Deputy Chief Constable appointment until the Chief Constable post was filled first which resulted in a timeframe greater than 5 months.

To complete a Human Rights thematic review and follow-up review by 31 March 2015. The terms of reference for a thematic review of policing race hate crime were agreed by the Performance Committee in October 2014. While a LGB follow-up report and a Transgender follow-up report on the LGB&T thematic review have been drafted these were not published.

To deliver by 31 March 2015 at least 2 public meetings of the Policing Board aimed at raising public confidence in the work of the Board. The Board held 1 public meeting in Derry/Londonderry in November 2014 and a public meeting in Craigavon on 27 March was re-arranged for 17 June 2015.

To finalise the Board's Partnership Strategy and achieve milestones and review performance against the Strategy by 31 March 2015. This has been delayed due to other pressures/priorities.

To work with the Department of Justice, local government and PSNI to prepare for the establishment of 11 PCSPs by March 2015. Due to funding issues the launch of the recruitment campaign was delayed until November 2014. The selection process was completed in most Council areas in May 2015, and most members took up their position in June 2015.

To appoint Independent Members to PCSPs and DPCSPs by March 2015. Due to funding issues the launch of the recruitment campaign was delayed until November 2014. However; with the exception of Belfast, it is envisaged that PCSPs will be fully established by late June 2015.

A summary of the targets which were not achieved is set out below.

To ensure the efficient and effective management of the injury on duty and medical retirement application process and to continue research into case management systems and commence procurement of an appropriate system by 31 March 2015. The Board is pursuing the option of joining in the PSNI Case Management procurement exercise which is not due for completion until 2015-16.

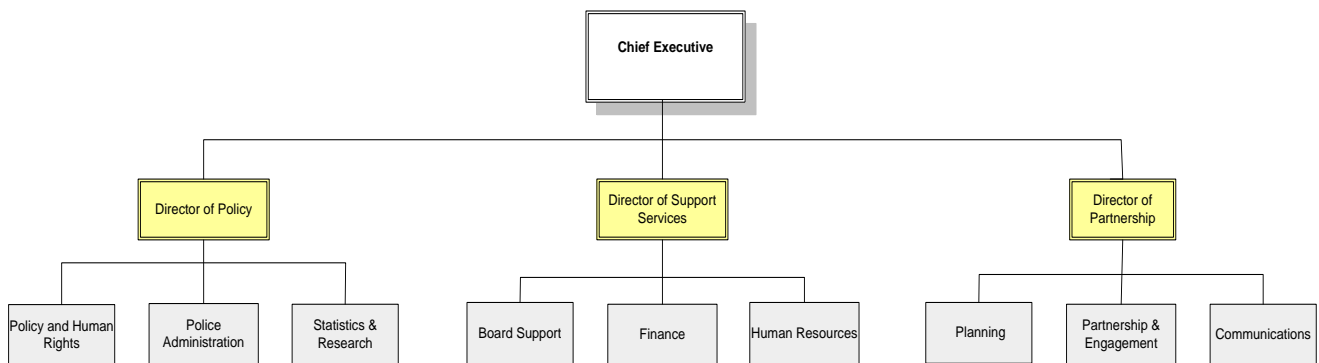
To increase the percentage of people who think that the Board is working well by 31 March 2015. The finding for the January 2015 survey is 30% which is a 1% point decrease compared to the January 2013 survey finding of 31%.

Staffing the Board

The Board's Interim Chief Executive is responsible for supporting the work of the Board and the day to day management of the organisation.

The Interim Chief Executive is supported in his work by three Directors whose responsibilities cover Policy; Partnership and Support Services. Further information on the role and work of individual branches is available on the Board's website.

NORTHERN IRELAND POLICING BOARD ORGANISATION CHART



Staffing Composition of the Policing Board

At 31 March 2015 the staff of the Board comprised 27 seconded civil servants from the Northern Ireland Civil Service (NICS) and 23 direct recruits appointed following public advertisement. In its recruitment of new staff the Board is committed to equality of opportunity in employment and welcomes applications from all suitably qualified candidates irrespective of religious belief, political opinion, gender, disability, age, race, marital status, sexual orientation or whether they have dependents.

The Board completes an Annual Fair Employment Monitoring Return and a 3-Year Article 55 Return to the Equality Commission.

Board Staffing Statistics at 31 March 2014 and 31 March 2015

	Gender		Community Background			
	M	F	P		RC	
			M	F	M	F
31 March 2014	22	25	16	12	6	13
	47%	53%	34%	25.5%	13%	27.5%
31 March 2015	22	28	15	14	7	14
	44%	56%	30%	28%	14%	28%

(Note: In relation to 2014, this table excludes 1 NI Assembly employee, 1 Belfast City Council employee and 3 NISRA (DFP) personnel who are seconded to the Board but monitored as part of NI Assembly, Belfast City Council and DFP's monitoring statistics. In relation to 2015, this table excludes 2 NISRA (DFP) employees who are seconded to the Board but monitored as part of DFP's monitoring statistics).

During the reporting year the level of staff absence due to sickness was 4.79% (2013-14: 6.62%). The level of sickness was primarily due to a number of staff being off on long term sickness.

Staff Development

The Board is recognised as an Investor in People (IIP) organisation and was successful in its 2013 re-assessment against a new and more rigorous standard.

The Board is always keen to obtain feedback from its staff and ran a Staff Attitudes Survey in February and March 2014 to ask for feedback across a range of areas such as communications, training and performance management. An action plan was then put in place to address any issue and the action plan was implemented over April – October 2014. The Board continues to develop its business planning, people development, communications and evaluation processes and all staff input into business and branch objectives whilst linking them to their own personal performance agreements and personal development plans.

The Board provides a range of development opportunities for staff so they are equipped to deliver the objectives of the Board's Business Plan and meet the demands of individual job roles. A range of internal and external training courses have been further enhanced by the use of on-line computer-based training programmes. The Board has now become fully integrated within the NICS-wide Human Resources HR Connect service which offers more

training / development opportunities and wider career development opportunities for Board staff.

The Policing Board's Equality and Disability Duties

The Board is committed to meeting all of its responsibilities under Equality and Disability Legislation which includes the production of an Equality Scheme under Schedule 9 of the Northern Ireland Act 1998. The Board's current Equality Scheme was approved in 2012 by the Equality Commission for Northern Ireland and can be viewed on the Board's website: www.nipolicingboard.org.uk.

Section 75 of the Northern Ireland Act 1998 requires the Board to comply with 2 statutory duties. Under Section 75 (1) in carrying out our functions relating to Northern Ireland we are required to have due regard to the need to promote equality of opportunity between:

- people of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- people with a disability and people without; and
- people with dependents and people without.

Under Section 75 (2) the Board is also required to have regard to the desirability of promoting good relations between people of different religious belief, political opinion or racial group. In addition under Section 49A of the Disability Discrimination Act 1995 (DDA1995) (as amended by Article 5 of the Disability Discrimination (NI) Order 2006), the Board is required, when carrying out its functions, to have due regard to the need to:

- promote positive attitudes towards disabled people; and
- encourage participation by disabled people in public life ('the disability duties').

The Board is also required to submit to the Equality Commission a Disability Action Plan showing how it proposes to fulfil these duties in relation to its functions and complete an Annual Equality Progress Report on the Section 75 duties. In seeking to discharge its duties during the reporting year 2014-15 the Board (amongst others):

- Published an update Report on PSNI progress in implementing the recommendations detailed in the 2011 Human Rights thematic review on policing with children and young people;
- Published its Human Rights Annual Report;
- Held meetings with a range of disability organisations in furtherance of its Disability Action Plan duties;
- Partnered with the PSNI in developing a Strategic Consultative Group with representatives from a wide range of sectorial interests;
- Commissioned a Legal Review of the Board's operation of the Police Pension Regulations;
- Continued the screening of its policies, powers, duties and functions;
- Monitored progress on equality matters, by way of reports to the Senior Management Team;
- Continued to review and update its Disability Action Plan; and
- Produced its Annual Progress Report for the Equality Commission.

Freedom of Information

The Freedom of Information Act 2000 (FOIA) gives any individual the right to request information from public authorities. It is intended to foster a culture of openness and transparency and make Government more accountable. It also allows the public to clearly see how public authorities carry out their duties, why they make decisions, and how they spend public money.

The Board is fully committed to the FOIA and the responsibilities it places on our members and staff. The Board operates policies and procedures, and all staff are given relevant training, to ensure that responsibilities under the FOIA are met. The Board's FOI policy can be viewed on our website at www.nipolicingboard.org.uk.

During the reporting period, in accordance with a directive from the Information Commissioner's Office, the Board developed a new FOI Publication Scheme which was operational from 1 December 2014. The following classes of information are covered within the scheme:

- Who we are and what we do;
- What we spend and how we spend it;
- What our priorities are and how we are doing;
- How we make decisions;
- Our policies and procedures;
- Lists and registers; and
- The services we offer.

During the period 1 April 2014 - 31 March 2015, the Board has:

- received fifty-one requests for information under the FOIA 2000;
- processed two requests for a formal review of the Board's response to specific FOI requests. These reviews were progressed in line with the Board's FOI Complaints Procedure;
- facilitated a review by the Information Commissioner's Office into the Board's handling of a request for information;
- proactively published information including:
 - all the Board's FOIA responses;
 - Board and Committee agendas and minutes throughout the year;
 - recordings of Board meetings and meetings in public; and
 - livestreaming all Board meetings from September 2014.

The Board's Publication Scheme details all the information that the Board routinely makes available to the public. The Board's FOIA responses can be viewed on the FOI Disclosure Log which is available via our Publication Scheme at www.nipolicingboard.org.uk.

Community Engagement and the work of Policing and Community Safety Partnerships (PCSPs)

This section examines how the Board has taken forward its Business Plan objectives in respect of community engagement and the work of PCSPs.

Community Engagement

Throughout 2014-15 the Board has continued its engagement work with numerous groups including young people groups, Lesbian, Gay, Bisexual and Transgender (LGB&T) Groups, religious groups, ethnic minority groups, Hate Crime groups, Older Person groups and working class communities. This ongoing process has enabled the Board to develop and build relationships with specific groups in order to listen to their views and experiences of policing in NI.

The Board continues to consult with significant stakeholders throughout NI to assist the Board in identifying key issues affecting specific community groups regarding policing. The Board's community engagement work programme has many levels of involving the community, from public meetings to consulting with the Strategic Consultative Group.

During 2014-15 the Board supported the Transformation, Advocacy, Leadership, Knowledge (TALK) program which aims to support emerging young leaders across disadvantaged communities. With the help of a number of partners, the twelve month initiative focused on developing twelve young leaders to develop their skills in negotiation, conflict resolution, and civic leadership. The young leaders from across NI visited the United States as part of an innovative new leadership development program for community leaders. The initiative was in partnership with the US Consulate, the Board, and the PSNI.

As part of the Board's ongoing commitment in raising awareness of hate crime, the Board held a roundtable event with key stakeholders. Members from the ethnic minority sector met with Board Members regarding the policing response to hate crime. This provided the opportunity to discuss views and experiences which were then used to develop the Policing Plan. The Board continues with its support of the LGB&T sector in its progress of a subgroup on policing. Also, the Partnership Committee supported the proposals contained within OFMDFM's consultation on the 'Racial Equality Strategy 2014-2024.'

The Board has continued its support with drug awareness programmes such as the 'Popping Candy' drama which was performed by the Spanner in the Works Theatre Company. This drama explored controversial issues surrounding Methadone use and was funded across a number of PCSP areas.

The Board attended the Belfast Mela, in partnership with the PSNI, providing an opportunity for members of the public to engage with the PSNI and the Board.

The Board has continued its partnership with Age Sector Platform and the DOJ on the 'Fear of Crime' within the older person's community. The Board met with key stakeholders and assisted with funding to produce an information leaflet for Older People detailing services available to them, including Agencies dealing with policing and community safety issues. The Board also attends the quarterly DOJ Older Persons Delivery Group meetings to continue to consult with its key stakeholders.

The Board continues to engage with Older People and attended the Pensioners Parliament to hear the views of Older People on the fear of crime. The Board has an ongoing engagement with the Commissioner for Older People Northern Ireland, as a member of the Board's Strategic Consultative Group.

The Board funded a research project in Craigavon and North Belfast on 'PSNI Officers perception of policing young people'. This project included focus groups with young people within these areas and the feedback from this project fed into the Board's confidence in policing project and into PSNI's training college programme.

The Board hosted representatives from the NI Retail Trade Association and Belfast City Centre Management to discuss issues relevant to the business sector.

Public Meetings

The Board held a public meeting in Derry/Londonderry on the 5 November 2014, working in partnership with Derry PCSP and the PSNI. The meeting had a particular focus on policing with the community. There was also a presentation from some local young people who were involved in the leadership initiative TALK which was supported by the Board, the PSNI and the US Consulate. This informative event provided the Board with a rich

resource of material to inform its ongoing work with developing the Policing Plan and also allowed Derry PCSP an opportunity to hear first hand from young people in the local area on how they see policing. This in turn will inform the local Policing Plan.

Participation: Youth Advisory Panel

The Board's Youth Advisory Panel was established in 2010 and includes representatives from key children and young people's organisations across NI, such as, Children's Law Centre, Include Youth, Public Achievement, NI Youth Forum, Barnardos and Youth Action. Working with the Panel, the Board has conducted a training needs analysis with PCSPs to ascertain the learning needs when working with children and young people. The Panel developed and participated in research which was conducted in North Belfast and in Craigavon. The aim of the research was to seek the views of PSNI officers from Neighbourhood, Response and Tactical Support Teams about how they provide a police service to children and young people. The research from North Belfast was published in October 2013 and can be found on the Board's website. The resulting report made a series of recommendations which the Panel are currently implementing. It is hoped that this research can inform the PSNI, PCSPs and others on how to work effectively and constructively with young people.

Strategic Consultative Group

In early 2013 the Board reviewed how it engaged with a number of sectors with the aim of improving how it seeks communities' views and identifies policing priorities. The result of the review was the establishment of a Strategic Consultative Group to assist the Board and the PSNI in achieving a better policing experience for all by improving service delivery and increasing confidence in policing.

Members of the Group work in partnership to:

- identify and provide advice and expertise at a strategic level on cross-cutting issues of interest to the diverse communities they represent;
- make significant contributions to both strategic and tactical considerations;
- make recommendations to help inform and influence the Board and PSNI policies, strategies and plans; and

- assist in identifying key communities to work with the Board and the police and facilitate engagement between the Board and the PSNI.

The group consists of representatives from the youth, older persons, LGB&T, ethnic minority, women's and disability sectors.

Policing and Community Safety Partnerships (PCSPs)

The Board and the Department of Justice are jointly responsible for supporting the work of Policing and Community Safety Partnerships (PCSPs), statutory bodies which were established in April 2012. There are 26 PCSPs - one for each council area. Belfast has one PCSP and four District Policing and Community Safety Partnerships (DPCSPs) covering the North, South, East and West area commands within the city. Each PCSP has a Policing Committee to take forward specific police monitoring and engagement functions, with the wider PCSP taking forward community safety related functions.

PCSPs comprise membership from a number of different groups. Each PCSP has:

- 8, 9 or 10 political members (councillors) nominated by the council;
- 7, 8 or 9 independent members appointed by the Board; and
- 7 designated bodies as approved by the PCSP (Designated Organisations) Order NI in February 2013.

The Order requires all PCSPs and DPCSPs to have representation from the following organisations:

- Police Service of Northern Ireland;
- Northern Ireland Housing Executive;
- Probation Board for Northern Ireland;
- Youth Justice Agency of Northern Ireland;
- Health and Social Care Trusts;
- Education Authority; and
- Northern Ireland Fire and Rescue Service.

PCSP Independent Members Appointments

As a result of Local Government Reform and the reduction in the number of councils from 26 to 11, PCSPs will be reconstituted in the 2015-16 year when there will be 11 PCSPs

and four DPCSPs. The term of office for the 26 existing PCSPs ceased on 31 March 2015. The Board commenced a recruitment process in November 2014 to select independent members to the new PCSPs/DPCSPs. The Board progressed an awareness campaign and held a number of information evenings throughout NI to highlight the benefits of membership of PCSPs/DPCSPs to the local communities. The selection process was completed in most council areas in May 2015 and most members took up their positions in June 2015.

PCSP Joint Committee

Under the Justice Act (NI) 2011, a Joint Committee was established to oversee the work of the PCSPs (and DPCSPs for Belfast). Its membership consists of two Policing Board members, the Board's Interim Chief Executive and three senior officials from DOJ. In this reporting period, the Committee was co-chaired by Dolores Kelly from the Board and Anthony Harbinson from DOJ. It has met on three occasions and some of the key issues considered were:

- the process and timeline of the recruitment process for independent members;
- appointment of political members;
- funding;
- members expenses;
- NI Omnibus Survey – public satisfaction levels;
- verification visits;
- Criminal Justice Inspectorate Review; and
- PCSP action plans.

The overall aim of the Joint Committee is to enable the PCSPs to operate effectively and to provide strategic direction to the Partnerships. It is also responsible for monitoring their effectiveness, assessing public satisfaction and supporting the PCSPs where assistance is required. The Joint Committee also agrees the funding given to each district council for the running of the PCSP. PCSPs received funding of approximately £5m split between administration and programme funding.

Criminal Justice Inspection (CJINI) Review

The Board and the DOJ commissioned CJINI to undertake an inspection of the effectiveness of PCSPs in order to assist the preparation and implementation of change as a result of Local Government Reform.

The Inspection examined issues around governance, performance and accountability of PCSPs. It also looked at actual improvements in community safety, including reductions in crime, fear of crime and anti-social behaviour.

The Inspection found examples of good work being carried out by the PCSP Policing Committee which in Derry for example, has resulted in a positive working relationship with local police. One of the main contributors to its success is the establishment of Neighbourhood Community Safety Forums which include neighbourhood policing teams, community representatives, council safety wardens and PCSP members. These forums discuss and resolve many local issues, leaving the discussions at the Policing Committee meetings to look at the more strategic statistics on crime and police performance.

The final report contained two strategic recommendations and nine operational recommendations along with a number of areas for improvement. All recommendations have been accepted in principle with the exception of that which suggests that there should be one PCSP for each local council area, including Belfast, without the need for DPCSPs. To implement this recommendation would require a legislative change which is outside the control of the Board.

Value for Money within PCSPs

The financial challenges now faced by the whole public sector make it even more important to maximise the effectiveness and efficiency of PCSPs. The Inspection Report will assist the Board to achieve that objective. The introduction of community planning and the reduction in the overall number of PCSPs, through Local Government Reform, provide an opportunity to reduce the cost of administration in favour of frontline delivery and ensure that PCSPs are effective and efficient.

Effectiveness of PCSPs

The Board accepts CJINI's view that evaluation of projects requires more emphasis on measurable indicators to assess whether or not PCSP interventions have had a positive impact. The Board will therefore work with the DOJ and colleagues in the Department of

the Environment to develop appropriate performance measures aligned with those to be developed by the councils for community planning.

The Board agrees that there is an opportunity to streamline the governance arrangements currently provided by the Joint Committee. It is accepted that the Committee should take a more strategic role in setting standards, combined with a more proportionate governance framework. The Minister of Justice hosted a workshop in February 2015 with council Chief Executive representatives and other relevant stakeholders including PSNI and the Probation Board and there was commitment from all parties to ensure the timely implementation of the recommendations made by CJINI. Overall, the Board recognises the opportunity that the Inspection Report provides to ensure that PCSPs operate more effectively going forward.

Scrutinising Police Performance through the Annual Policing Plan

The Board is responsible for overseeing police performance and holding the PSNI to account for service delivery. Each year the Board develops the principal business plan for policing which includes the objectives and measures which PSNI are assessed against. The development of this plan, widely known as the Policing Plan, is a requirement for the Board as set out in the Police (NI) act 2000 and the Police (NI) Act 2003. The Board scrutinises the PSNI's performance against the Policing Plan throughout the year.

Developing and setting Policing Objectives for 2014-15

The Board produced a three year Policing Plan for the period 2014-17 and the 2014-15 Policing Plan was the one year update plan containing the same three overarching outcomes of:

- Personal Policing – Reduced levels of crime and antisocial behaviour, an increase in the percentage of perpetrators brought to justice through positive crime outcomes, less road trauma, and reducing the harm caused by drugs in local neighbourhoods;
- Professional Policing – Improved satisfaction with the response and service you receive from the police; and
- Protective Policing – Tackling Organised Crime, Violent Crime, and improving service to our most vulnerable groups.

In developing the Policing Plan for 2015-16 the Board took account of the NI Audit Office report and recommendations, the Programme for Government objectives, and PSNI's performance against current targets, and engaged with a wide range of stakeholders and PCSPs before negotiating with the Chief Constable to agree the priorities for policing for 2015-16. The Policing Plan contains the policing priorities; however it does not contain all of the policing matters that the PSNI address daily. There are a number of other key strategies and thematics that the Board and PSNI implement throughout the year and these are available on the Board's website.

Police Performance 1 April 2014 – 31 March 2015

The Board is responsible for ensuring that the PSNI is effective and efficient and meets the needs of the Northern Ireland community. It does this by monitoring police performance against targets in the Annual Policing Plan, by robustly examining reports from the Chief Constable and by reviewing areas where performance is not meeting targets.

In May 2015 the PSNI provided a final summary of the statistics that related to performance against the 2014-2017 Policing Plan. The summary highlighted that only 2 out of the 16 quantitative targets were met, and the reasons for the non-achievement of the targets were discussed at the June 2015 Board meeting.

A summary of the statistics relating to the PSNI performance against the 2014-17 Policing Plan can be found at [http://www.nipolicingboard.org.uk/index/publications/policing-plans/previous performance reports.htm](http://www.nipolicingboard.org.uk/index/publications/policing-plans/previous%20performance%20reports.htm)

The table below provides a summary of the statistics that relate to performance against the 2014-2017 Policing Plan:

<i>Policing Plan Target</i>	<i>2013-14</i>	<i>2014-15</i>	<i>Difference</i>
To reduce the level of overall crime by 1%	102,746	105,072	+2.3%
To increase by 2% points the overall rate of crime outcomes achieved using a range of appropriate disposal methods	27.2%	27.5%	+0.3% pts
An increase of 3% points in outcome rates for Sectarian Hate Crime	15.4%	14.5%	-0.9% pts
An increase of 5% points in outcome rates for Homophobic Hate Crime	17.3%	21.1%	+3.7% pts
An increase of 1% point in the outcome rate for Racist Hate Crime	17.2%	14.1%	-3.1% pts
An increase of 7% points in outcome rates for crimes with a domestic motivation	31.7%	31.3%	-0.5% pts
To increase by 2% points the outcome rate for domestic burglary	9.7%	8.8%	-0.9% pts
An increase of 1% point in the outcome rate for Rape Crime	16.5%	10.2%	-6.4% pts
To reduce by 1% the number of domestic burglaries	5,753	5,873	2.1%
To reduce ASB	60,706	60,982	+276
Improved confidence in Policing (NB Figures relate to calendar year ie Jan 13 to Dec 13 and Jan 14 to Dec 14)	67.3%	66.9%	- 0.4% points (not significant)
In partnership with other agencies, a reduction in the number of people killed in road collisions by at least 60% by 2020	60	76	+26.7%
In partnership with other agencies, a reduction in the number of people seriously injured in road collisions by 45% by 2020	725	731	+0.8%
To reduce by 10% the number of allegations of Oppressive Behaviour	531	414	-22%
To reduce by 1% the number of allegations of incivility	1,930	1,409	-27%
Impact on Organised Crime	The Service frustrated, disrupted, or dismantled 94 Organised Crime Groups from 1 st April 2014 to 31 st March 2015		

Source: PSNI, Quarter Four Performance Report to the Northern Ireland Policing Board - http://www.nipolicingboard.org.uk/nipb_quarter_4_performance_report_-_2014_-_2015.pdf

Finding out what the Community thinks about policing

This year public satisfaction was measured via the policing module of the NI Omnibus Survey, which was conducted by the NI Statistics and Research Agency (NISRA). This face to face survey with approximately 1,100 adults aged 16+ was conducted in January 2014 and published in May 2014.

Confidence in Policing in Northern Ireland

The Board also published research in 2014-15 on the theme of 'Confidence in Policing in Northern Ireland'. Dr Jonny Byrne and Dr John Topping of the University of Ulster carried out research on 'The influence politicians, community leaders and the media have on confidence in the police in NI' and also on 'The key drivers of public confidence in NI'.

Millward Brown Ulster carried out research into 'What influences people's perceptions about whether the police are doing a good job in NI?', 'The links between deprivation and confidence in the police in NI' and 'Public Confidence in the Policing of Cybercrime'. 'How can the PSNI engage the community on the risks posed by cyber-crime without causing undue alarm and build confidence in their strategy for dealing with this crime that those most vulnerable are adequately protected?'. The research will be used to inform the future work of the Board.

PSNI perceptions of young people in North Belfast and Craigavon

The Board commissioned NISRA to undertake a project to gather the views of PSNI officers in North Belfast on how they engage with young people in the areas in which they police. The North Belfast report was published in November 2013 and a similar project was initiated in Craigavon prior to the end of 2013-14. The key findings from the research included recommendations relating to: better engagement between officers and young people; specific training for officers regarding engaging with young people; considering how PCSPs can work together to raise awareness about young people's right to assembly and policing with the community.

Research into young peoples' perceptions of policing in North Belfast and Craigavon

The Board commissioned Perceptive Insight to undertake a project to explore the views and attitudes of young people in North Belfast and Craigavon towards policing. Most of the young people involved in the focus groups were initially negative about their local area,

noting that there is 'not much to do' within their local communities. Participants identified some of the biggest areas of concern in relation to crime and policing that were prevalent in their area, including how they viewed their interaction with the police. The findings from this report will be included in the development of the Policing Plan 2016-19.

Monitoring the PSNI's Compliance with the Human Rights Act 1998

The Board has a statutory duty to monitor the performance of the PSNI in complying with the Human Rights Act 1998. To assist it with fulfilling this duty, the Board appointed Human Rights Advisors in 2003. Since 2005 the Advisor has presented the Committee with a Human Rights Annual Report. The 2014 Report was published on 20 February 2015. PSNI has implemented 210 recommendations made in the ten Annual Reports relating to issues such as domestic abuse, hate crime, children and young people, public order, use of force, stop and search, covert policing and complaints and discipline.

Since 2009 the Human Rights Annual Report has been supplemented by thematic reviews through which a more detailed examination of specific areas of policing can be carried out from a human rights perspective. A key feature of the thematic review is use of the community's experience of policing to assist with informing the evidence base against which police policy and practice on the ground is evaluated. Four human rights thematic reviews have been published to date and have made a combined total of 73 recommendations. The thematic reviews examined the police response to domestic abuse; children and young people; policing with and for lesbian, gay and bisexual individuals and transgender individuals; and police powers to stop and search and stop and question under the Terrorism Act 2000 and the Justice and Security (NI) Act 2007. The next thematic review to be carried out will focus on the police response to race hate crime, the findings of which are expected to be published during 2015. The terms of reference for the race hate crime thematic review are available on the Board's website.

PSNI's acceptance and implementation of the recommendations made in Human Rights Annual Reports and thematic reviews is indicative of the organisation's commitment to a human rights based approach to policing. This approach has been identified as good practice in other parts of the United Kingdom and internationally, as has the Board's human rights monitoring work. The new Chief Constable has committed to maintaining such an approach and to be held to account and to provide an account to both the Board

and the community in that regard. The Board will continue to monitor and report upon PSNI's performance in doing so.

Human Rights Annual Report 2014

The Report which was published on 20 February 2015 records that 14 recommendations from previous years have been implemented during 2014. PSNI reported to the Performance Committee throughout 2014 on a range of issues including training on youth issues, training for civilian staff, a test purchasing of alcohol scheme, oppressive behaviour complaints, the Regulation of Investigatory Powers Act (RIPA) and healthcare in police custody. The Report also makes 9 new recommendations for the PSNI to consider relating to training; policy; complaints; child sexual exploitation; the service of non-molestation orders and occupation orders; disability hate crime; terrorism detainees; healthcare within custody; and Youth Engagement Clinics.

Performance Committee Programme of work

The Committee met on 14 occasions during 2014-15 to consider matters such as complaints against the PSNI; professional standards; discretionary disposals; police use of Small Unmanned Aircrafts (SUA); use of force; public order; use of Body Worn Video; healthcare in police custody; PSNI proposals to introduce a test purchasing of alcohol scheme; Developed Vetting within the PSNI; various legislative proposals affecting policing; coronial inquests; the police investigation of 'legacy' cases; counter-terrorism legislation; stop and search powers; covert policing powers; the disclosure of criminal records; the accountability arrangements for the operation of the National Crime Agency (NCA) in NI; and reports by the Police Ombudsman, the Criminal Justice Inspection NI (CJINI) and Her Majesty's Inspectorate of Constabulary (HMIC).

The Committee prioritised the issues of cybercrime and domestic abuse in its 2014 Programme of Work and will do so again in 2015 such is the concern felt by Members in relation to the increasing prevalence of these crimes. The Committee considered the police response to these and a range of other key issues including for example, hate crime, child sexual exploitation and paramilitary style attacks. In its consideration, the Committee met with relevant PSNI personnel and received evidence from key stakeholders and partners from across the Criminal Justice System at each of its meetings to drive improvements, where needed, and in order to provide community confidence in the police response.

Monitoring police complaints and disciplinary proceedings

The Board has a statutory duty under the Police (NI) Act 2000 to keep itself informed as to the workings of the system in place to deal with complaints against the PSNI and subsequent disciplinary proceedings arising as a result of Police Ombudsman investigations. The Board also has a duty to monitor trends and patterns in complaints. This work is taken forward by the Performance Committee. The Committee meets formally with the Office of the Police Ombudsman (OPONI) twice a year to discuss a range of issues, including trends and patterns in complaints against police officers and the resolution of those complaints. The Committee also meets twice a year with officers from PSNI Service Improvement Department to discuss professional standards and disciplinary issues.

A Professional Standards Monitoring Framework, devised by the Committee's Professional Standards Advisor, provides the Committee with a formal structure to undertake its monitoring function and to address broader concerns, such as quality of service, accountability and evidence of learning. In accordance with the Monitoring Framework, PSNI and OPONI provide the Committee with statistical information on a periodic basis. The information is used by the Committee during its six monthly meetings with PSNI to challenge performance and to seek further information from the police or OPONI on any areas of concern. In accordance with target 1.6.2 of the Board's Business Plan 2014-15 which required a review of monitoring of professional standards in policing to be carried out by 31 March 2015, a revised Professional Standards Monitoring Framework was agreed by the Committee in October 2014 and shared with PSNI and OPONI. Under the new Framework the Committee will receive information on a six-monthly basis on complaints received by OPONI; self-referrals by PSNI to OPONI; updates on Policing Plan targets to reduce incidences of oppressive behaviour and incivility; and the number of statute barred cases. In addition to this, annual information will be provided in relation to misconduct matters; performance against recognised risks, including threats from corruption; and evidence of learning from complaints, OPONI investigations and civil litigation.

During 2014-15 the Committee met with senior officials from PSNI and OPONI on two occasions (June 2014 and November 2014) and discussed a range of issues, including the

increase in 2013-14 in the number of complaints made against police officers,¹ the nature of the allegations made and the resolution of those complaints. Further detail in relation to these issues is provided in Chapter 5 (Complaints, Discipline and the Code of Ethics) of the Board's Human Rights Annual Report 2014.

Historical Enquiries Team (HET) Working Group

PSNI has been subject to substantial public criticism in response to an unfavourable inspection carried out by Her Majesty's Inspectorate of Constabulary (HMIC) on the Historical Enquiries Team (HET) in 2013.

Largely based on the findings of two critical reports from 2010 and 2012 by Professor Patricia Lundy, an Ulster University researcher, both of which highlighted inconsistencies in approach in cases involving the military as compared to cases involving non-state or paramilitary suspects, the Board recommended that HMIC should carry out a review of the procedures and approach of the HET, especially in respect of Royal Military Police (RMP) cases. After being commissioned to undertake the inspection by the DOJ, HMIC drew up Terms of Reference for the review in consultation with the Chief Constable and the Board. Between November 2012 and May 2013 HMIC interviewed over 180 people and examined material relating to 31 cases that the HET had reviewed. HMIC published a report on its inspection on 3 July 2013 which made a total of 20 recommendations.²

The Board subsequently established the HET Working Group to take forward and oversee the implementation by the PSNI of the recommendations contained in the HMIC report. The HET Working Group completed its deliberations at its final meeting on 28 April 2014 with consensus on a number of key issues. Thereafter, progression of HET issues was delegated to the Board's Performance Committee and Members continued to consult closely with the Chief Constable on a number of issues relating to historical investigations. Members agreed that before publishing their final report³, it was imperative that the Minister of Justice commission HMIC to undertake a follow-up review of the HET in order to reassure the Board and the public that PSNI had fully implemented all the

¹ During 2013-14 OPONI received 3,734 complaints which was the highest number of complaints since the Office opened in November 2000.

² *Inspection of the Police Service of Northern Ireland Historical Enquiries Team*, Her Majesty's Inspectorate of Constabulary (HMIC), July 2013.

³ Target 3.7.1 of the Board's Business Plan 2014-15 required the provision of a report on progress of the HET Working Group to the Performance Committee by 30 November 2014. This target was met, and the final report from the HET Working Group was published on the Board's website in December 2014. The report can be read at http://www.nipolicingboard.org.uk/het_position_paper.pdf

recommendations contained in the original inspection. The Minister agreed to the follow up inspection in July 2014. The inspection began in September 2014 and is due to report in Summer 2015.

Bi-Annual Meetings with OPONI, CJINI and HMIC

In line with the Board's Corporate Plan 2014-17, the Board is committed to engaging with the wider community and with our partners in the Criminal Justice System. The Board meets twice a year with representatives from the Office of the Police Ombudsman for NI (OPONI), Criminal Justice Inspection NI and Her Majesty's Inspectorate of Constabulary to identify key strategic issues that are of concern to all four organisations. At the most recent meeting between the organisations in December 2014, the Board Chair emphasised that in the context of budgetary pressures across the policing and justice sector, closer co-operation and collaboration was required to ensure the most efficient and effective means of holding PSNI to account.

Response to Consultations

The Board keeps itself informed about current developments in the criminal justice system and, where appropriate, responds to consultations on issues that fall within the Board's oversight remit. Consultations to which the Board responded during the reporting period included:

- *Development of a Sexual Orientation Strategy and Action Plan*, Office of the First and Deputy First Minister (OFMDFM), May 2014;
- *Draft Mental Capacity Bill (NI)*, Department of Health, Social Services and Public Safety (DHSSPS) and Department of Justice, May 2014;
- *Justice Bill*, Justice Committee consideration stage, June 2014;
- *Final draft subordinate legislation to reform police discipline and unsatisfactory performance procedures*, Department of Justice, November 2014⁴;
- *Refresh of PACE Codes of Practice A – H*, Department of Justice (DOJ), November 2014;
- *Consultation on Establishing a UK Privacy and Civil Liberties Board*, Home Office, December 2014;

⁴ This response included comments on the final draft of the new statutory rules for Police Appeals Tribunals (PATs). Target 2.7.2 of the Board's Business Plan 2014-15 requires the Board to review and implement the new rules relating to PATs.

- *Consultation on OFMDFM Racial Equality Strategy 2014-24.*

Organised Crime

Organised crime has wide ranging effects across society, and the police response to organised crime in Northern Ireland remains a key focus for the Board. The Board holds the PSNI to account on its approach to tackling organised crime in Northern Ireland through its annual Policing Plan, where targets are set for the PSNI and reported on every six months to the Board. In addition to the Policing Plan, the Board is represented by its Chair and Vice-Chair on the Organised Crime Task Force (OCTF) Stakeholder Group which was established in 2000. This group is chaired by the Minister of Justice and meets quarterly to advise on and monitor progress towards the achievement of cross cutting objectives to combat organised crime in Northern Ireland. Membership of the OCTF Stakeholder Group includes the PSNI, Her Majesty's Revenue & Customs, the NCA, the DOJ, the Border Force, and to reflect the views of the wider NI community and business interests: the Policing Board; the NI Chamber of Commerce, the Federation for Small Businesses and the Confederation of British Industry.

Cybercrime

During 2014-15, the Performance Committee prioritised its focus on the PSNI response to tackling cybercrime. Detailed in-house policy research was completed into cybercrime, with a particular focus on how vulnerable people are affected by crimes committed via the internet. That research has already led to a change in the PSNI's policy approach to cybercrime. At a basic level this includes amending the definition of cybercrime in order to ensure a more considered approach to the challenges posed by this increasingly prevalent medium of criminal behaviour. Furthermore the Board have ensured since October 2013 that PSNI accurately record all incidents of cyber-enabled crime in order to ensure not only that they have a better understanding of the nature of crime in NI, but that they can better plan and prioritise their response to the evolving and changing face of crime both in the short and longer term. These statistics are considered by the Performance Committee on a bi-annual basis.

In order to gain an insight into how the public understood and viewed this new crime phenomenon, the Board commissioned Millward Brown Ulster to undertake a public survey, the first of its kind in NI, to examine levels of public concern about cybercrime as

well as to ascertain the public's understanding of the PSNI response. The survey undertaken on the Board's behalf poses a number of challenges for the PSNI, particularly the extent to which overall confidence in the police drives the reporting of cybercrime⁵.

Target 1.6.1 of the Board's Business Plan 2014-15 required further research on the issue of cybercrime to be provided to the Performance Committee by 31 March 2015. This target has been achieved, with Members provided with briefing papers at a number of Performance Committee meetings during 2014 which focused on different elements of the policing response to cybercrime. Issues highlighted for Members consideration included: policies in foreign jurisdictions (17 April 2014); the recording of cyber-enabled crime in NI (15 May); and the HMIC Inspection on the Strategic Policing Requirement (15 May); House of Lords Select Committee report entitled Social media and Criminal Offences (20 November).

The National Crime Agency (NCA)

On 3 February 2015 the Assembly consented to the making of the Crime and Courts Act 2013 (National Crime Agency and Proceeds of Crime) (NI) Order 2015. This permitted the NCA to become fully operational in NI with the powers to tackle serious, organised and complex crime, including strengthening border defences, accelerating efforts against economic crime, tackling the sexual abuse and exploitation of children, and confronting cyber-crime.

A sub-group of the Performance Committee was established to consider a range of Memorandums of Understanding (MOU) setting out the operating principles which govern the relationship between the Board, NCA, Justice Minister, PSNI, OPONI, Home Secretary, Home Office, HMIC and the PPS.

The Board is primarily tasked with monitoring the NCA's performance in carrying out its Annual Plan in NI, and making arrangements for obtaining the co-operation of the public with the NCA in the prevention of organised crime and serious crime.

Board Officials have also drafted a Performance Monitoring Framework which will provide Members with information relating to the performance of the NCA in Northern Ireland. As

⁵ The survey can be viewed http://nipolicingboard.org.uk/40140083_cybercrime_report_final.pdf

part of the Performance Monitoring Framework, the Board will be provided with quarterly statistical reports which capture the NCA's performance with regard to organised crime, civil recovery, cybercrime and drugs and firearms. The first performance report with regard to NCA operations in Northern Ireland is expected to be provided to the Board in July 2015.

The Independent Custody Visiting Scheme

Independent Custody Visitors are volunteers from the local community who make unannounced visits to police custody suites. The purpose of these visits is to observe, comment on and report to the Board on the rights, health and wellbeing of people being held in custody, together with the general condition of the custody suite in line with Code C of the Police and Criminal Evidence (NI) Order 1989 (PACE). This also includes visits to detained terrorist suspects held under the Terrorism Act 2000. The role of Custody Visitors is statutory and is set out in Section 73 of the Police (NI) Act 2000.

During the period 1 April 2014 to 31 March 2015 there were four custody visiting teams covering Northern Ireland. They were based in Belfast/Antrim, Down/Armagh, Tyrone/Fermanagh and the North West.

During 2014-15 Custody Visitors made a total of 726 visits to custody suites throughout Northern Ireland, 29 of which were to the Antrim Serious Crime Suite where detainees are held in custody under the Terrorism Act 2000. There were 1,216 detainees in custody at the time of these visits and Custody Visitors saw and spoke to 540 detainees in total.

Custody Visitors classified 640 (91%) of their valid visits as being entirely satisfactory, that is neither they nor the detainees raised any issues relating to the treatment or conditions in the custody suite. Any issues of concern are brought to the attention of PSNI and the Board so that they can be addressed as soon as possible. The Board has an agreed procedure to follow up on issues of concern which can involve escalation to Senior Officer level if issues are not resolved within a reasonable timeframe.

A full statistical breakdown of Custody Visits carried out to each Suite in 2014-15 is accessible on the Board's website at:

<http://www.nipolicingboard.org.uk/index/publications/custody-visitors.htm>.

The success of the scheme is only possible because of the involvement, commitment and dedication of the volunteers. The Board is very grateful for the valuable contribution they make in this important form of oversight of detention, procedures and conditions.

Funding and Resources

This section considers how the Board oversees issues relating to police funding, the use of resources and the strategies underpinning PSNI Resources.

Monitoring PSNI Resources Strategies and related policies

Human Resources

The PSNI People Strategy plays an important role in improving organisational performance, ensuring the workforce feels valued and motivated and a value for money policing service is being delivered. The Board's Resources Committee is responsible for monitoring the strategy and deployment of human resources in the PSNI. To undertake this duty Members receive and monitor at regular intervals statistical information from the PSNI People Strategy, otherwise known as the 'Human Resources Dashboard'.

Senior Officer Appointments

The Board is responsible for the appointment of officers to the rank of Assistant Chief Constable (ACC), Deputy Chief Constable (DCC) and Chief Constable. This is an important Board responsibility and during this reporting period three vacancies arose in the Service Executive Team. George Hamilton was appointed as Chief Constable, Drew Harris was appointed as DCC and Stephen Martin was appointed as ACC.

PSNI's Training and Development Strategy and Business Plan

The Police (NI) Act 2000 section 26 states that *'the Policing Plan shall (a) contain an assessment of the requirements for educating and training police officers and members of the police support staff and give particulars of the way in which those requirements are to be met'*.

Each year the Resources Committee requires the PSNI to produce a Training and Development Strategy and Business Plan for approval. This strategy complements the Human Resources People Strategy in providing support for development needs arising from the Individual Performance Review (IPR) process; the recruitment and retention of people and wider engagement. Throughout this reporting year, the Committee questioned

and challenged the PSNI on its implementation of the Training and Development Strategy 2013 - 2016 as well as the Training and Development Annual Business Plan for 2014-15.

Student Officer Training Programme (SOTP)

A focus for the Committee has been the delivery of the new SOTP at the PSNI College, Garnerville. The programme was redeveloped for new recruits and Committee members attended Garnerville to see and meet with student officers and the trainers delivering the Programme. The SOTP is academically linked to the University of Ulster and on completion of the programme a Diploma is awarded to graduating officers. In 2014-15 accreditation of the Programme to Level 5 (Advanced Diploma) was achieved. This is a first for any Police Service in the UK. The programme was delivered to 378 new recruits over the reporting year and the feedback from the recruits has also been very positive.

Police officer recruitment

Following recommencement of police recruitment in 2013-14, a further campaign ran from 28 May to 20 June 2014. During the campaign 5,856 applications were received with the plan to appoint 156 new Constables from the merit list over the 2015-16 financial year, subject to budgetary provision.

The Independent Community Observer Scheme

In September 1999 the report of the Independent Commission on Policing, (known as the Patten Report) recommended that police recruitment should be contracted out to an independent agency and that there should be community oversight of the process.

The Board has an established team of volunteers from all sections of the community known as Independent Community Observers (ICOs). The ICO Scheme's role is to observe, and report to the Board, on the PSNI recruitment processes in line with Section 10 of the Police (Recruitment) (NI) Regulations 2001.

The PSNI recruitment campaign was advertised in May/June 2014 and the ICOs commenced observation of the initial selection process from 5 July 2014 to 11 August 2014. The ICOs made a total of ten visits to six venues across Northern Ireland.

Observation of the assessment centre stage of the campaign took place between

16 September 2014 and 20 November 2014. During this stage of the selection process ICOs made a total of 21 visits to the two venues being used.

During the campaign ICOs observed a total of 68 tests including 46 role play sessions, 15 written tests and 7 interviews. Twenty-five (81%) of the ICOs rated their visit as 'good' and six (19%), as 'acceptable'. A full statistical breakdown of the reports received during the campaign is published on the Board's website at www.nipolicingboard.org.uk.

All issues raised by ICOs during their visits were either resolved locally by recruitment staff or formally passed to the PSNI for consideration in future campaigns. The Board is very grateful to all ICOs who undertake this important role across Northern Ireland.

Representativeness

The Committee over the last year has continued to monitor measures taken to ensure that the composition of Police Officers and Police Support Staff is representative of the community. The percentage of Catholic Police Officers in PSNI on 1 April 2015 is 30.85% compared to 30.80% on 1 April 2014. The percentage of Catholic Police Staff in PSNI on 1 April 2015 is 19.40% compared to 19.32% on 1 April 2014. The Committee has assisted and supported the PSNI in improving its Outreach Strategy to increase representativeness within PSNI, along with investigating alternative routes of entry into the PSNI.

Perceived religious affiliation and gender in the PSNI

	% Perceived Protestant	% Perceived Roman Catholic	% Not Determined	% Female	% Male	% Ethnic Minority	Total No
Employee Group as at 1 April 2014							
Police Officers	66.99	30.80	2.21	27.22	72.78	0.53	6,786
Police Staff	77.56	19.32	3.12	63.84	36.16	0.53	2,464
Employee Group as at 1 April 2015							
Police Officers	67.11	30.85	2.04	27.45	72.55	0.54	6,856
Police Staff	77.43	19.40	3.17	62.83	37.17	0.53	2,459

Civilianisation

Civilianisation is a key strategic priority for the Board and PSNI and is an area of work that is consistently monitored and discussed at the Resources Committee. The Policing Plan 2011- 2014 outlined that the PSNI remain committed to releasing officers from roles that do not specifically require the use of police powers or experience and this has been the case, albeit that progress has recently slowed due to the funding position.

In addition, the Resources Committee has also held PSNI to account in respect of the recommendations coming from the Public Accounts Committee in relation to the use of Agency Staff and also from the Criminal Justice Inspectorate Report 'Finding the Balance' which made a range of recommendations in relation to Human Resources practice that impact upon civilianisation.

PSNI Equality, Diversity and Good Relations Strategy

The PSNI Strategic Diversity Steering Group (SDSG) monitors progress of the PSNI Equality, Diversity and Good Relations Strategy and evaluate the implementation of this Strategy. The Committee receives twice yearly reports and regular updates on the out-workings of the Strategy (which includes the Gender Action Plan and Disability Action Plan) and an Official from the Board sits as an observer on this group. This allows Members to monitor the implementation of these actions and gain an insight as to how PSNI is addressing Equality, Diversity and Good Relation matters and to input from an independent viewpoint.

A key issue that the Committee has considered this year relates to the attrition of female applicants in recruitment campaigns. The Committee was briefed on the Physical Competence Assessment required for recruits to the service and the fact that 63% of female applicants failed the test. The PSNI was requested by the Committee to look into this matter and take the necessary steps to ensure females enjoy fairer participation. As the result of Board questions the PSNI has agreed support measures for females who failed the PCA from Campaign 2 and a retest. The PSNI has also agreed to consider what further measures may need to be taken if there is no improvement in the fail rate. At the same time, the number of female applicants for both recruitment competitions was just over 35.2% and 35.5% which was above the target set of 30%.

Secondments

Section 8 of the Police (NI) Act 2000 provides the legislation for the Board to make arrangements under which a Police officer/staff member is engaged for a period of temporary service in other countries. Any requests approved by the Committee are forwarded to the Justice Minister for ultimate approval in line with the legislation.

The Committee adheres to a Secondment Policy when considering requests and this has ensured a consistent approach. Throughout the year the Committee considered a number of requests for PSNI officers to engage in short term assignments outside the United Kingdom with advice being provided through PSNI by NI-CO, the Foreign and Commonwealth Office (FCO) and the International Police Assistance Board (IPAB). The Committee takes a keen interest in these secondments and the benefits they have, not only to the receiving country, but also the learning that can be brought back to the PSNI. The Committee does this by considering an annual evaluation report from PSNI and the 2013-14 report was received by the Committee on the 16 October 2014 and it outlined the benefits for the PSNI in relation to 23 secondments.

Medical Retirements/ Injury on Duty Awards

The Board's responsibilities for monitoring and approving Ill Health Pensions and Injury on Duty Awards are set out in the RUC Pension Regulations 1988, the PSNI and PSNI Reserve (Injury Benefit) Regulations 2006 and the Police Pensions (Northern Ireland) Regulations 2009. For business purposes, decisions on Ill Health Pensions and Injury on Duty Awards are taken by the Board's Police Administration Branch under delegated authority and ratified by the Resources Committee. These duties are performed in line with best practice, guidance from the DOJ and in accordance with legislation.

To assist the Board in discharging its responsibilities a three year contract was awarded to Blackwell Associates (Occupational Health Specialists), following a procurement exercise, to act as Selected Medical Practitioner (SMP) for the Board with effect from 1 April 2011. The Resources Committee agreed a two year extension to the contract in February 2014. The SMP's role is to carry out an assessment of serving/former officers to assist the Board in taking decisions on Ill Health Pension and Injury on Duty Award entitlement.

During the reporting year a total of 438 Ill Health Pension and/or Injury on Duty Award cases were ratified by the Resources Committee. 54 serving officers were retired from the PSNI as they were medically unfit to perform the duties of a police officer. Of these 18

were also granted Injury on Duty Awards. 8 medical retirements were refused. A total of 94 Injury on Duty Awards were approved and 290 refused.

Table 1: Serving Officers

	2011-12	2012-13	2013-14	2014-15
Total Cases Received	24	N/A	41	54
Of which:				
Ill Health Only Cases	11	N/A	20	28
Injury Award Cases	13	N/A	12	18
Total Cases Approved	24	N/A	32	46
Total Cases Refused	0	N/A	9	8

Source: NIPB Case Management System

Table 2: Former Officers (Retrospective Injury Awards)

	2011-12	2012-13	2013-14	2014-15
Total Cases Received	199	N/A	344	384
Total Cases Approved	91	N/A	131	94
Total Cases Refused	108	N/A	213	290

Source: NIPB Case Management System

Injury on Duty Award Appeals and Reviews

Under the regulations serving/former officers may appeal the Board's decision on an Ill Health Pension and/or Injury on Duty Award. The appeal process is independently administered by the Department of Justice (DOJ). The DOJ appoints one or more doctor(s) to act as the Independent Medical Referee (IMR) to determine whether the SMP report and certificate should be upheld or overturned.

During the reporting period, 176 new appeals were received and 114 appeals settled⁶. Of the 114 appeal cases settled in 72 cases the decision of the SMP was upheld and in 29 cases it was overturned or amended. There were also 13 cases withdrawn.

⁶ Please note that cases settled in 2014/2015 may have been received in a previous year.

Of the 223 ongoing appeal cases, 51 cases are with the DOJ for processing. For the remaining 172 cases their status is as follows:

- 34 with the SMP for Appeal Stage 1;
- 1 with the SMP for reconsideration only;
- 17 with the SMP for reconsideration and - if original determination unaltered - appeal;
- 80 submissions are ready to be forwarded to the DOJ;
- 13 await the return of Appeal forms from the Appellant;
- 20 require more information from the Appellant;
- 6 held in abeyance (at the Appellant's request) pending the Senior Counsel review; and
- 1 awaits a decision from the Appellant on whether they wish to proceed with their appeal or await the outcome of the Senior Counsel review.

Table 3: Appeal Statistics:

	2012-13	2013-14	2014-15
New Appeals Received	119	140	176
Appeals Settled¹	80	69	114
of which:			
Decision of the SMP upheld	40	39	72
Cases overturned or amended	25	18	29
Cases withdrawn	15	12	13
Ongoing Appeal cases	89	162	223
of which:			
With DOJ for processing	17	51	51
Remaining Cases	72	111	172
<u>Status of Remaining Cases</u>			
With SMP for Appeal Stage 1	10	21	34
With SMP for reconsideration only	0	0	1
With SMP for reconsideration and - if original determination unaltered - appeal	0	0	17
Submissions ready to be forwarded to DoJ	29 ²	37	80
Awaiting the return of Appeal forms from the Appellant	23 ³	31	13
Requiring more information from the Appellant	8 ⁴	12	20
Held in abeyance (at the Appellant's request) pending the Senior Counsel review	0	7	6
Awaiting a decision from the Appellant on whether they wish to proceed with their appeal or await the outcome of the Senior Counsel review	0	3	1
New appeal affected by suspension - no forms sent to Appellant	2	0	0

Source: NIPB Case Management System

¹ Please note that cases settled may have been received in a previous year

² Includes 9 appeals against award after review which were suspended because of the general suspension on reviews in March 2013

³ Includes 2 appeals affected by above suspension

⁴ Includes 2 appeals affected by above suspension

All reviews of Injury on Duty Awards continue to be suspended unless specific requests are received to undertake reviews (this excludes requested reviews with an additional medical condition introduced). This general suspension will be lifted in 2015-16.

Scofield Review on Injury on Duty Awards

Mr Scofield QC completed a review on the Injury on Duty process in November 2014 and his report was considered by the Board's Audit & Risk Management Committee at a meeting on 21 November 2014. The Board endorsed the Scofield Report on 4 December 2014 and wrote to the DOJ in respect of issues relating to the legislation and guidance for the IOD Award Scheme highlighted in the Report.

At present the significant legislative and policy issues, as identified in the report, are being examined and updates are provided on the Board's website.

Changes to the Injury on Duty Award Scheme

Consideration has been ongoing for a number of years into a new Injury on Duty Award Scheme to be implemented in England and Wales. The DOJ is currently drafting new Regulations for a new scheme in Northern Ireland, which should go out for consultation later this year. In anticipation of the proposed reforms the Board is carrying out preparatory work, including drafting separate guidance (for consultation) and updating Police Administration Branch management systems.

Monitoring Civil Action and Compensation Claims

The Board, under Section 29 of the Police (NI) Act 1998, is required to approve all PSNI settlements for claims made against the Chief Constable. This responsibility is carried out by the Resources Committee. During the reporting period, there were 1493 injury claims settled at a cost of £9,627,611 and 99 damage claims settled at a cost of £82,910.

Police Pension Schemes

On 8 March 2012 the NI Executive agreed the introduction of major changes to public service pension schemes, including a career average revalued earnings scheme model. The Public Service Pensions Act (NI) 2014 was passed on 11 March 2014 establishing new public service pension schemes to be implemented by 1 April 2015. The DOJ is the responsible authority for making scheme regulations relevant to the PSNI. The Police

Pension Regulations (Northern Ireland) 2015 was introduced on 1 April 2015. A Members guide and Q and A booklet have been issued to Members of the Scheme.

Police Pension Board

The 2015 Police Pension Scheme introduces a new governance structure to the scheme (and any connected schemes i.e. the 1988/2006 PPS schemes) in the form of a Pension Board and Scheme Advisory Board. The Public Service Pension Act (Northern Ireland) Act 2014 also established the role of Scheme Manager, which the DOJ have allocated to the Board in the regulations.

The purpose of the Police Pension Board is to provide assistance to the Scheme Manager in securing compliance with the scheme regulations and other governance and administration legislation. For the first time the police pension schemes will fall within the remit of the Pensions Regulator and the Scheme Manager must comply with the Pensions Regulator's directions. A Chair has been appointed to the Police Pension Board and its composition has been agreed. The first formal meeting took place in April 2015.

Monitoring PSNI Funding

The Board has a role in negotiating the policing budget and approving the annual budget allocations and for holding the Chief Constable to account for the spending of that budget. The Chief Constable has delegated authority in relation to the day to day responsibility for the police budget, but he must report to the Board on how the money is spent. The Board has responsibility for making sure that the funds are spent in an effective and efficient manner and in line with the objectives outlined in the Policing Plan.

The PSNI monthly Management Accounts were scrutinised at meetings of the Board's Resources Committee, as were the year-end Annual Accounts. Police funding is divided into several different categories, the largest category being for expenditure on salaries (revenue expenditure) amounting to £530m during 2014-15.

PSNI also receives funding for expenditure on capital items such as land, buildings and vehicles, where benefit will be derived from the expenditure over a number of years. In 2014-15, capital expenditure was £32.7m from an available budget of £34.0m resulting in a £1.3m under spend, with PSNI receiving £3.2m in capital receipts. The lower level of

capital receipts this year compared to previous years was mainly due to falling land values in Northern Ireland.

The Committee also looked at spending on two small fund accounts – the Police Property Fund (disposal of seized or lost items) and the Police Fund (welfare for police officers and their dependents), as well as being able to question the PSNI on Police Pensions. The Board itself has a role in administering some aspects of police officers' pensions.

The 2013-14 financial year Pension Scheme Accounts were closely scrutinised by the Committee as the Board holds responsibility as Pension Scheme Administrator for the Police Pension Scheme.

The Statement of Financial Position showed a net liability of over £7.63 billion relating to current and future pension liabilities. Although this figure is a large sum, this represents the total liability rather than the annual cost of pensions. It is standard practice for those pension payment liabilities due each year to be provided for out of funding made available to PSNI. There is no threat to or any danger of frontline policing being affected by this overall liability, or any risk that pensioners will not receive their payments. The annual pension bill was £181.9m and relates to current service costs, enhancements and transfers.

A major part of the police budget relates to salaries and pensions (approximately 75%) and consequently, Board Members concentrate to a large degree on Human Resource elements of the Police Budget. There has also been more interest in 2014-15 on financial issues relating to the Police Estate due to the disposal of police stations.

The Board has worked intensively with PSNI during 2014-15 to make sure the Service operates within budget. The cost of overtime coupled with the comprehensive spending review settlement for the year, has put pressure on existing operational budgets. The NI Assembly through the Comprehensive Spending Review requires all Government Departments, and ALBs, to consider future funding needs and identify savings. The Board has also worked with the PSNI to approve a balanced budget for 2015-16 and this has required serious financial scrutiny leading to efficiencies across the Police Service. The Board agreed to accept the following assumptions in achieving a balanced budget, in 2015-16:

- The recommendations of the Review of Resilience and Capability are accepted by all stakeholders;
- Continued access to Mutual Aid arrangements in exceptional circumstances, although there is no funding provision in this plan;
- The recruitment of Police officers and staff as outlined in Appendix B is implemented in full;
- The HM Treasury funding arrangements for Hearing Loss cease on 31 March 2015;
- There is no provision for any deterioration of the security or public order situation;
- Any new legacy structures or costs or other significant work will be separately funded;
- There are no further budget cuts in 2015-16;
- No provision has been made for any increase in POPT costs in future years, following settlement of the Working Time Directive case in 2014-15; and
- The savings anticipated from the Voluntary Exit Scheme are realised.

Further discussions will take place between the Board and PSNI on the budget allocation throughout 2015-16.

PSNI Estate Strategy

Day-to-day responsibility for the management of the police estate is delegated to the Chief Constable. Plans and proposals for the ongoing maintenance and development of police buildings are contained in an Estate Strategy which was approved and reviewed by the Board through its Resources Committee in 2013-14.

The 2011 Strategy set out details of investment in the PSMO estate over the next four years and outlines plans for new station builds, the provision of the new Northern Ireland Community Safety College at Desertcreat, station reviews and a range of station refurbishments and upgrades within the current estate. All of these contribute to delivery of a PSNI estate that is an appropriate size, condition and location for the PSNI in the medium and longer term. The approval of the 2011 Estate Strategy included approval for the disposal of 21 stations.

There have been major issues related to the procurement process and the progression of the new Northern Ireland Community Safety College at Desertcreat. The issue lies with the NI Executive to decide on the future of the College. The Board is represented on the Programme Board and Steering Group by a Board Member and a senior Board Official who report regularly to the Resources Committee and to the Board.

PSNI ICT Strategy

The Board approved the 2011-14 PSNI ICT Strategy in November 2011. The Board formally monitored the PSNI ICT Strategy at the Resources Committee meeting in December 2014.

PSNI Procurement

The Board considered an annual report on PSNI procurement savings for 2013-14 at the November 2014 Committee meeting.

Northern Ireland Policing Board Continuous Improvement Project

2014-15 End of Year Report

Part V of the Police (NI) Act 2000⁷ requires the Board to make arrangements to secure continuous improvement in the way in which it functions in respect of economy, efficiency and effectiveness. The Board agreed as its continuous improvement project to implement the recommendations from the review of the Board's Committee structure.

This review has realised benefits in terms of economy, efficiency and effectiveness across the Board at a Member and Executive level.

- A reduction in the number of Committees has reduced the demands on Members;
- Opportunities have been provided for Board Members to receive more detailed accounts of matters relating to the policing activity in understanding policing issues more fully;
- The Board's executive structure and a re-alignment of Board statutory responsibilities within the revised Committees' Terms of Reference creates opportunities for better collaboration and co-operation between Committees;

⁷ Paragraph 28 (1) The Board shall make arrangements to secure continuous improvement in the way in which its functions, and those of the Chief Constable, are exercised, having regard to a combination of economy, efficiency and effectiveness.

- Full implementation of the SHAREPOINT initiative is being realised in terms of efficiency (the production and transfer of less paper documentation, reduced postage and courier costs) and effectiveness (faster transfer of Committee papers via Board Member IPAD access and increased flexibility to deal with urgent/unforeseen business).

A full copy of the Board's Continuous Improvement 2014-15 Report can be found at:
www.nipolicingboard.org.uk/index/publications/content-bur.htm.

6.0 REMUNERATION REPORT

Remuneration Policy

The Board remunerates three distinct categories of employees and Members, which are disclosed below.

Independent Board Members

Independent Members are appointed by the DOJ. The remuneration and allowances of members is dictated by the requirements of the Police (NI) Act 2000, Schedule 1, part 3, paragraph 12-(1) – “The Board may pay the Chair, Vice-Chair and other members of the Board such remuneration and allowances as the Minister of Justice may determine.”

Political Board Members

Political Members are appointed using the D’Hondt principles pertaining to the Local Northern Ireland Assembly. When the Assembly is fully operational, Political Members of the Board do not receive additional remuneration for their work on the Board, above their MLA allowance. During periods when the local Assembly is not fully operational, Political Members receive an allowance up to the total of that received by an Independent Member of the Board, but no more than the difference between the amount equal to a full MLA Assembly allowance and that paid when the local Assembly is not fully operational.

Senior Officials

The Chief Executive post is aligned with the Senior Civil Service (SCS) and is remunerated accordingly. The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

The Directors are all remunerated in accordance with NICS remuneration conditions and pay scales. In line with NICS pay and conditions, the Board operates a Special Bonus Scheme which applies to all staff in the Board, except the Chief Executive.

Service Contracts

Independent Members are appointed for a period of four years in accordance with the Police (NI) Act 2000, Schedule 1, part 3, paragraph 8.

Board Officials are appointed on merit on the basis of fair and open competition. 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. The policies relating to notice periods and termination payments are contained in the NICS Staff Handbook.

Salary and Pension Entitlements

The following sections provide details of the remuneration of Board Members and the remuneration and pension interests of the senior officials of the Board.

Board Members Salary Entitlements

Remuneration of Board members is disclosed below. None of the posts are pensionable and the only other primary benefit is the payment of expenses for home to office travel and the associated taxation, totalling £10,631 (2013-14: £11,895).

Remuneration for Independent Board Members (excluding the Chair and Vice-Chair) is £19,437 per annum (2013-14 £19,437).

Disclosed below is Board members' remuneration.

Audited Information	2014-15	2013-14
Name and Title	£000	£000
Mr B Rea (Chair 1 June 2011 to 31 May 2013)	19	26
Mr G Ó'hEára (Vice-Chair 1 June 2011 to 31 May 2013)	19	24
Mrs A Connolly (Chair from 1 June 2013)	59	52
Professor B Dickson	19	19
Mr R Feeney	19	19
Mr S MacDonnell (Vice-Chair from 1 June 2013)	44	40
Mrs J O'Hagan	19	19
Mr B Rowntree	19	19
Ms D Watters	19	19

The salary and pension entitlements of the most senior officials were as follows:

Audited Information

Title	2014-15				2013-14			
	Salary (£'000)	Bonus Payment (£'000)	Pension Benefits ** (to nearest £1000)	Total (£'000)	Salary (£'000)	Bonus Payment (£'000)	Pension Benefits ** (to nearest £1000)	Total (£'000)
Mr Sam Pollock, Chief Executive (resigned 7 February 2015)*	65-70 (75-80 full year equivalent)	-	29	95-100 (105-110 full year equivalent)	75-80	-	30	105-110
Mrs Amanda Stewart Director of Partnership (From 12 April 2013); Acting Director of Partnership (from 19 September 2012 to 11 April 2013)	45-50	0-5	15	60-65	45-50 (45-50 full year equivalent)	0-5	29	70-75 (70-75 full year equivalent)
Mr. David Wilson, Director of Support Services	50-55	0-5	14	60-65	50-55	0-5	6	55-60
Mr, Peter Gilleece Director of Policy	50-55	0-5	12	60-65	50-55	0-5	6	55-60
Band of Highest Paid Director's Total Remuneration	75-80				75-80			
Median Total	29,201				28,629			
Ratio	2.7				2.7			

* Mr Barney McGahan has been seconded from DCAL as Interim Chief Executive and Accounting Officer from 30 March 2015. Whilst appointed on 30 March 2015, NIPB will only incur payroll costs from 1 April 2015 as agreed with DCAL and therefore Mr McGahan has been excluded from the remuneration report.

** 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 decrease due to a transfer of pension rights.

Salary Senior Officials

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation and any gratia payments. This report is based on payments made by the Board and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid to senior employees.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2014-15 relate to performance in 2013-14 and the comparative bonuses reported for 2013-14 relate to performance in the 2012-13 financial year.

Pay Multiples

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

The banded remuneration of the highest-paid director in the Board in the financial year 2014-15 was £75,000 - £80,000 (2013-14, £75,000 - £80,000). This was 2.7 times (2013-14, 2.7) the median remuneration of the workforce, which was £29,201 (2013-14, £28,629).

In 2014-15, and in 2013-14, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000 - £20,000 for the lowest paid employee to £75,000 to £80,000 for the highest (2013-14 from £10,000 - £15,000 to £75,000 - £80,000). 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.

Pension Entitlements

Pension entitlements of the most senior employees are shown below:

Audited Information

Senior Employees	Accrued pension at pension age as at 31/03/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV	Employer Contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Mr Sam Pollock, Chief Executive (Resigned 7 February 2015)	0 – 5.0	0 – 2.5	84	55	25	-
Mrs Amanda Stewart Director of Partnership (From 12 April 2013); Acting Director of Partnership (From 19 September 2012 to 11 April 2013)	10.0 – 15.0 Plus lump sum of 35.0 – 40.0	0 – 2.5 Plus lump sum of 0 – 2.5	163	147	8	-
Mr. David Wilson, Director of Support Services	15.0 – 20.0 Plus lump sum of 45.0 – 50.0	0 – 2.5 Plus lump sum of 0 – 2.5	246	225	9	-
Mr. Peter Gilleece, Director of Policy	10.0 – 15.0 Plus lump sum of 30.0 – 35.0	0 – 2.5 Plus lump sum of 0 – 2.5	166	149	7	-

No member of the Senior Management Team is in a supplementary pension scheme.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly 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.

A new pension scheme, alpha, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contribution rates for all members for the period covering 1st April 2015 – 31st March 2016 are as follows:

Scheme Year 1st April 2015 to 31st March 2016 Pay

Pay band – assessed each pay period		Contribution rates – Classic members	Contribution rates –, classic plus, premium, nuvos and alpha
From	To	From 01 April 2015 to 31 March 2016	From 01 April 2015 to 31 March 2016
£0	£15,000.99	3%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal pension age in alpha will be linked to the members State Pension Age but cannot be before age 65. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the

other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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



Barney McGahan
Interim Chief Executive
19 June 2015

7.0 NORTHERN IRELAND POLICING BOARD FINANCIAL STATEMENTS

Statement of the Northern Ireland Policing Board and Interim Chief Executive's Responsibilities

Under Paragraph 16 of Schedule 1 of the Police (NI) Act 2000, as amended by the Police (NI) Act 2003 and the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Department of Justice, has directed the Northern Ireland Policing Board 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 the Northern Ireland Policing Board 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 Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the DOJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Permanent Secretary of the DOJ has appointed the Interim Chief Executive as Accounting Officer of the Northern Ireland Policing Board. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Board's assets, as set out in Managing Public Money Northern Ireland issued by the Department of Finance and Personnel (DFP).

Governance Statement

1 Scope of Responsibility

The work of the Board is wide ranging in respect of its statutory duties which include measures to ensure effective oversight and monitoring of the work of the police and encouraging the engagement of the community with the police. For example through:

- the development and monitoring of the Annual Policing Plan, which is the key document for policing in Northern Ireland setting the objectives, performance indicators and targets for an effective and efficient police service;
- monitoring police performance in delivering key strategies – including Human Resources (Recruitment and Composition; Training and Development and Diversity); Finance; Information and Communication Systems; the Police Estate; Policing with the Community; and Community Engagement;
- monitoring the compliance of the police with the Human Rights Act, which includes the development and monitoring of the Code of Ethics which governs the conduct of police officers;
- negotiating the annual budget for policing and scrutinising expenditure;
- oversight of the implementation of the remaining Patten recommendations;
- assessing the level of public satisfaction with the performance of the police and improving the performance of and assessing public satisfaction with Policing and Community Safety Partnerships (PCSPs);
- making arrangements to gain the co-operation of the public with the police in preventing crime; and
- ensuring arrangements are in place to secure continuous improvement within PSNI and the Board.

The Board replaced the Police Authority for Northern Ireland and was established as an executive Non-Departmental Public Body (NDPB) of the Northern Ireland Office (NIO) on 4 November 2001 by the Police (NI) Act 2000, as amended by the Police (NI) Act 2003.

On 12 April 2010, justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the DOJ came into existence as a new Northern Ireland Department. From this date, the Board became an executive NDPB of the DOJ.

In accordance with the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Annual Report and Accounts of the Board are laid in the Northern Ireland Assembly.

The NIPB priorities are set out in the 2014–2017 Corporate Plan and in the associated one year plans.

2 Purpose of the Governance Framework

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Policing Board's (Board) policies, aims and objectives, whilst safeguarding public funds and Board assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

I am directly accountable to the Accounting Officer of the Department of Justice for Northern Ireland (DOJ) and may be called to appear before the Northern Ireland Assembly's Justice and Public Accounts Committees. The responsibilities of an Accounting Officer are set out in the Police (NI) Act 2000 and in the DFP publication, Managing Public Money Northern Ireland.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Board policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Board for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

3 Governance Framework

The Board is made up of 19 Members, ten Political and nine Independent. Political Members are drawn from the five main political parties based on the d'Hondt system and Independent Members are appointed by the Minister of Justice based upon experience but they are not intended to be representatives of those interests. In the Board, Members work together and act as a single corporate body.

The Chair has particular responsibility to provide effective and strategic leadership to the Board. The Chair will ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities and will undertake an annual appraisal of Independent Members of the Board. The Chair will work closely with the Interim Chief Executive to facilitate the business of the Board. Following appointment Board Members are required to adhere to the Code of Conduct for Board Members.

Members each have a corporate and collective responsibility to ensure that the Board properly discharges its functions. In doing so, each Member is required to attend all Policing Board meetings and the meetings of those Committees to which they have been allocated. In addition to attendance at formal Board and Committee meetings, the Board may agree that Members should take on additional roles to assist in furthering the Board's objectives.

Details of the Members are set out on page 8 of the Annual Report.

Attendance by the Members during the year at Board meetings is set out below:

Member's Name	Number of Board meetings eligible to attend	Number of Board meetings attended
Members as at 31 March 2015		
Mrs Anne Connolly	13	13
Mr Jonathan Craig	13	13
Prof Brice Dickson	13	13
Mr Ryan Feeney	13	11
Mrs Brenda Hale	7	5

Mr Ross Hussey	13	9
Mrs Dolores Kelly	13	11
Mr Gerry Kelly	13	10
Mr Trevor Lunn	5	5
Mr Stuart MacDonnell	13	12
Mr David McIlveen	13	7
Mr Robin Newton	13	12
Mr Gearóid Ó hEára	13	9
Mrs Joan O'Hagan	13	13
Mr Brian Rea	13	11
Mr Brian Rowntree	13	12
Ms Caitríona Ruane	13	12
Mr Pat Sheehan	13	12
Ms Deborah Watters	13	12
Members who left during the year		
Mr Chris Lyttle	8	6
Mr Alastair Ross	6	2

Northern Ireland Policing Board

The purpose of the Board is to:

- hold the Chief Constable to account by receiving a monthly report on policing and questioning the Chief Constable in public and private;
- deal with all issues relating to PSNI senior officers/civilian staff;
- oversee the Board's Corporate Business Planning arrangements;
- develop the Policing Plan;
- take decisions based on recommendations received by all of the Committees of the Board; and
- receive and consider reports and recommendations from Board Officials.

Audit and Risk Management Committee

The purpose of this committee is to:

- keep under review and advise the Board on all matters relating to the internal and external audit of the Board. To provide an opinion on the effectiveness of the monitoring processes and whether reliance can be placed upon all internal control systems.

Assess and recommend to the Board action in respect of:

- the effectiveness of financial management, internal business processes and control systems;
- the performance, effectiveness of and results from the Board's audit arrangements, both internal and external;
- the implementation of agreed audit-based recommendations from the findings received from internal audit or the Report To Those Charged With Governance from external audit;
- the accounting policies and the accounts, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors; and
- the Board's plan for risk management, business continuity (including disaster recovery) and the strategic processes for risk, control and governance and the Governance Statement.

To decide/agree:

- the planned activity for internal audit, including the arrangements for and the appointment of the Board's Internal Auditors;
- the Annual Audit Plan; and
- the Board's policies on fraud, irregularity and corruption, and to monitor the effectiveness of such policies.

During the year the Audit and Risk Management Committee scrutinised the NIAO continuous improvement arrangements in policing report for 2013-14 and kept under

review the report from the NIAO on Use of Agency Staff. The Committee also considered the following reports;

- NIPB Annual Report, Remuneration Report, Governance Statement and Financial Statements;
- NIAO Report to Those Charged With Governance for NIPB;
- NIAO Report to Those Charged With Governance for PSNI;
- NIPB Internal Audit Reports; and
- NIPB risk management.

Performance Committee

The purpose of this Committee is to:

- develop and implement a framework for monitoring the performance of the PSNI in complying with the Human Rights Act to include: performance in public order situations; assessing the effectiveness of the PSNI Code of Ethics; review and reissue of the PSNI Code of Ethics; publication of an annual human rights assessment report and periodic thematic reviews;
- develop and implement a professional standards monitoring framework to include: keeping informed about the complaints process and monitoring trends and patterns in complaints against police officers; keeping informed about claims against the police service, suspended officers and the outcome of disciplinary procedures to ensure that lessons are learned and that best practice is promoted;
- monitor the implementation of recommendations from Her Majesty's Inspectorate of Constabulary (HMIC), Criminal Justice Inspection Northern Ireland (CJINI), Office of the Police Ombudsman of Northern Ireland (OPONI) and other external reports in relation to police performance, practice and policy. For example HMIC Review of HET, CJINI Review of PSNI/OPONI relationship, Regulation 20 and Policy & Practice Reports produced by the OPONI;
- oversee policing performance particularly in respect of non-DCU functions including Headquarters functions and Crime Operations;
- contribute to the development of the Annual Policing Plan on performance issues;
- oversee the role and operation of the Custody Visiting Scheme;
- make arrangements for police appeals tribunals under the Appeals Regulations 2000;

- consider pension forfeiture cases for police officers in line with relevant regulations and to make recommendations to the Board on specific cases; and
- monitor the PSNI Protective Services capability.

In respect of the Board the Committee is required to:

- consider complaints about services provided by Board officials and to make recommendations to the Board for any necessary action.

The Performance Committee met on 14 occasions during 2014-15 and Members considered matters such as complaints against the PSNI; professional standards; discretionary disposals; police use of Small Unmanned Aircrafts (SUA); use of force; public order; use of Body Worn Video; healthcare in police custody; PSNI proposals to introduce a test purchasing of alcohol scheme; Developed Vetting within the PSNI; various legislative proposals affecting policing; coronial inquests; the police investigation of 'legacy' cases; counter-terrorism legislation; stop and search powers; covert policing powers; the disclosure of criminal records; the accountability arrangements for the operation of the National Crime Agency in Northern Ireland; and reports by the Police Ombudsman, the Criminal Justice Inspection Northern Ireland (CJINI) and Her Majesty's Inspectorate of Constabulary (HMIC).

The Human Rights Annual Report 2014 was published on 20 February 2015. The Report records that 14 recommendations from previous years have been implemented during 2014. In implementing these recommendations, PSNI reported to the Performance Committee throughout 2014 on a range of issues including training on youth issues, training for civilian staff, a test purchasing of alcohol scheme, oppressive behaviour complaints, the Regulation of Investigatory Powers Act (RIPA) and healthcare in police custody. The Report also makes 9 new recommendations for the PSNI to consider relating to training; policy; complaints; child sexual exploitation; the service of non-molestation orders and occupation orders; disability hate crime; terrorism detainees; healthcare within custody; and Youth Engagement Clinics.

The Committee prioritised the issues of cybercrime and domestic abuse in its 2014 Programme of Work and will do so again in 2015 such is the concern felt by Members in relation to the increasing prevalence of these crimes. The Committee considered the police response to these and a range of other key issues including but not exclusively, hate crime, child sexual exploitation and paramilitary style attacks to name a few. In its

consideration, the Committee met with relevant PSNI personnel and received evidence from key stakeholders and partners from across the Criminal Justice System at each of its meetings to drive improvements, where needed, and in order to provide community confidence in the police response.

In addition, during the 2014/15 year the Performance Committee also published a Position Paper on the work of the Historical Enquiries Team, reviewed the Professional Standards Monitoring Framework to make reporting by PSNI more strategic, called on the PSNI to make greater use of local resolution both as a means of reducing complaints and providing a positive outcome for complainants and also as a means of engaging with communities, drove the PSNI to introduce Body Worn Video (which arose from a recommendation in the 2009 Thematic Inquiry into Domestic Abuse), published independent research on the public's perceptions of cybercrime, provided extensive advice and guidance to the Board and liaised with stakeholders to ensure full accountability to the Board in respect of the National Crime Agency, met with the independent review panel for the Operation Stafford investigation and are holding the Chief Constable to account publicly for his approach concerning this investigation, and met with senior PSNI officers to assess the PSNI response to the coroner regarding its role in the coronial inquest process, which has also led the Board to request that the Justice Minister commission a HMIC review into the PSNI's role in the coronial inquest process.

Resources Committee

The purpose of this Committee is to:

- consider the PSNI and NIPB budget allocations and make recommendations to the Board;
- monitor the PSNI and NIPB monthly spend profiles;
- oversee the Continuous Improvement arrangements for both NIPB and PSNI;
- monitor PSNI strategies in relation to the Police Estate, ICT and Procurement;
- consider the operation of the Special Purchase of Evacuated Dwellings (SPED) Scheme;
- monitor compensation claims made against the Chief Constable;
- monitor PSNI recruitment and support efforts to secure a representative police service in terms of gender and community background;
- secure, promote and monitor the implementation of the PSNI's People strategy; and

- secure, promote and monitor the implementation of the PSNI's Training, Education and Development strategy.

During the year the Committee scrutinised the following reports;

- NIPB Annual Budget;
- PSNI Medium Term Resource Plan;
- NIPB monthly Management Accounts;
- PSNI monthly Management Accounts;
- PSNI Training and Development Strategy;
- PSNI Equality, Diversity and Good Relations Strategy;
- PSNI Estate Strategy
- PSNI Annual Report on Procurement; and
- PSNI People Strategy.

Partnership Committee

The purpose of this Committee is to:

- develop, promote, support and monitor the effectiveness of the Policing and Community Safety Partnerships (PCSPs);
- secure, support and monitor the implementation of Policing with the Community as the core function of the police service;
- oversee and monitor the implementation of police service strategies as they impact upon crime prevention, community safety and the community in general;
- consider police performance at DCU level as it impacts on policing with the community and relates to the work of PCSPs;
- develop, promote and oversee activities which secure community involvement in policing, including community consultation strategies;
- oversee the Board's Research Programme; and
- develop and implement a strategy that takes forward community engagement.

The Committee met formally on 10 occasions in the past year and progressed a number of areas of work in respect of its key responsibilities for; PCSP effectiveness, PSNI Policing with the Community, community engagement and the development of the NI Policing Plan for 2015/16.

The focus of the Committee for PCSPs was in working with the Department of Justice, local government and PSNI to prepare for the establishment of 11 PCSPs in line with local government reform. The Committee together with the DOJ commissioned CJINI to undertake an inspection into governance, delivery and outcomes of PCSPs as they considered that this would be fundamental to assisting preparations for change as a result of the impact of local government reform. The Committee also worked alongside PSNI in reviewing the arrangements for local Policing Districts and agreed a move from eight to eleven Districts which became fully operational on 1 April 2015. The Committee launched the recruitment to appoint independent members for the reconstituted PCSPs in November 2014 and it is expected that 8 PCSPs will be established in June 2015, and the remainder will be established by late Summer 2015.

The Committee brought a particular focus to working with PSNI to refresh its commitment to Policing with the Community and ensuring that it is embedded as an ethos throughout PSNI. To ensure that momentum is maintained, the Committee agreed with PSNI that the implementation of Policing with the Community is developed as a formal project under the ServiceFirst Change Programme.

In support of its community engagement work the Committee developed a Young Leadership Programme with PSNI and the American Consulate to support and develop young leaders in disadvantaged communities to support confidence in policing. This was a year long programme and the Committee arranged a series of engagements, events and training opportunities in support of the programme. The Committee also held a public meeting in Derry/Londonderry in November and hosted a series of engagements and events with key stakeholders and opinion formers throughout the year. Research was also completed into the issue of measuring young people's confidence in policing and will remain a key focus of the Committee's work going forward over the next 12 months.

Partnership Committee also led on the Board's work to update the 2015/16 Policing Plan involving a programme of consultation; a review of police performance and robust negotiations with the Chief Constable and PSNI Service Executive Team. In developing this year's targets the Committee focused its attention on setting measures that specify the level of improvement to be achieved. As a result there has been a significant increase in

the number of performance measures which are expressed in quantitative terms in the plan – 32 compared with 13 in the previous year.

Executive Team

The Board has an Executive team of four led by myself, Barney McGahan, Interim Chief Executive. I am the principal advisor to the Board and I lead and direct the Board's staff to ensure the Board achieves its objectives. I am also the Accounting Officer of the Board.

The Board and PSNI have agreed the Management Statement and Financial Memorandum in place with DOJ. I have quarterly Governance meetings with our Sponsor Department to discuss and review areas of concern to either party.

4 Risk Management and Internal Control

Leadership is provided through the Interim Chief Executive, the Senior Management Team (SMT) and the Audit and Risk Management Committee, with Directors being held responsible for the management of risk within their areas of responsibility.

The Board's policy on managing risk, the NIPB Risk Management Framework, details the roles and responsibilities of those parties involved in the process. The policy complies with HM Treasury Orange Book guidance and integrates with the Board's approach to corporate and business planning. The Board's attitude to risk is described as 'risk averse'.

Key risks identified:

- Security threat – post 21 November 2009 there remains a threat from dissidents against the Board;
- Resource implications – to ensure adequate resources are available to meet the requirements of the Board and PSNI discharging their statutory duties;
- Reputation – the Board has been identified as co-defendants in a number of legal cases; and
- Information assurance – to ensure the Board implements procedures to safeguard information and comply with Information Assurance (IA) Maturity Model requirements.

Staff are aware of this Framework and guidance is provided through regular meetings of senior management, each directorate and branch. Training is also provided for staff to

equip them with the necessary knowledge and skills to manage risk in a way appropriate to their authority and duties.

The Board is committed to embedding risk management within the activities of the organisation as a priority in developing an appropriate Corporate Governance environment and through linkages with the corporate / annual business plans, and decision making process to ensure relevance.

Risks are identified, evaluated and monitored through regular updates and reviews conducted by the Accounting Officer and the SMT. The Corporate and Directorate Risk Registers are reviewed quarterly or more frequently as determined by the SMT. These areas are discussed and any appropriate action is agreed between the Interim Chief Executive and the Director concerned. The Corporate Risk Register is reviewed and discussed at each of the Board's quarterly Audit and Risk Management Committee meetings, with Directorate red risks being reported to the Committee by exception. No instances of fraud have been identified during the financial year.

IA is the confidence that the Board's Information Systems will protect the information they handle and will function as and when they need and under the control of authorised users. More specifically, IA seeks to protect and defend information and information systems by ensuring confidentiality, integrity and availability, in addition to other such properties, such as, authentication, accountability, non-repudiation and reliability. These goals are relevant whether the information is in electronic or hard copy, storage, processing or transit and whether threatened by malice or accident by employees or contractors.

The Board continually reviews these arrangements and these are addressed by internal validation to ensure compliance with necessary regulations, policies and standards, with each Directorate contributing to the overall assessment. The Board's IT infrastructure was accredited by the DOJ and subjected to regular assessments against Her Majesty's Government Standards including the production of RMADS (Risk Management Accreditation Document Set), SyOPs (System Operations Procedures) and remedial action following IT Health Checks. These assessments are carried out by Qualified CLAS and Check Consultants in line with National Requirements.

Data handling policies and procedures issued by the Office of the First Minister and Deputy First Minister (OFMDFM) are complied with. Members and staff are provided with training, advice and guidance on their responsibilities regarding Information Assurance. Physical and electronic controls are in place to secure storage of personal data. Retention and disposal policies and schedules are adhered to and reviewed on a regular basis in line with guidance. The Board is continuing with the support of the DOJ to implement the requirements of 'Information Assurance' and undertook a self-assessment review of data handling as part of the wider NICS review.

5 Review of Effectiveness of the Governance Framework

Each Director is responsible for providing a stewardship statement every six months to me which is assessed against their Directorate Business Plan on issues of risk. Within this statement they demonstrate how they have controlled risks during these periods and highlight any areas which might adversely affect the performance of their Directorate or the organisation as a whole. I, as the Accounting Officer provide assurances to the Departmental Accounting Officer that any non-compliance with relevant guidelines or instructions has been included in my report as required and, where necessary, controls have been strengthened to prevent recurrence. In the current year I had no instances of non-compliance to report. I provide progress reports through the Audit and Risk Management Committee on risk. These reports include both corporate risks and high level risks within directorates.

In April 2015 I also carried out an evaluation of the Board's effectiveness during 2014-15 and am satisfied with the level and type of information the Board received during the period. I reviewed Board performance over the financial year 2014-15 using the National Audit Office Board Evaluation Questionnaire – 'Unlocking Your Board's Full Potential'. All but three of the 47 questions were assessed as 'Strongly Agree' or 'Partly Agree'. Remedial actions to address the three areas where the Board might improve its effectiveness are being considered.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Board who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report To Those Charged With

Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

6 Significant Internal Control Issues Identified

During the year a number of reviews were undertaken of Board functions.

These included:

- internal audit reviews of specific work areas as defined in the Board's Audit Strategy and Annual Audit Work Plan;
- self-assessment of the Audit and Risk Management Committee; and
- NIPB Board evaluation.

Last year I received a request from the PCSP Joint Committee to ask our Internal Auditors to undertake an independent review of Larne PCSP process and procedures for allocating funding. The review had the following objectives:

- to review the processes and decisions taken by Larne PCSP in allocating funding for 2012-13 and for the 2013-15 period;
- to complete the audit of Joint Committee expenditure for Larne PCSP to include the fourth quarter expenditure; and
- to make recommendations on the way forward.

The review was completed, recommendations made and issued to Larne Borough Council PCSP for management responses. Management responses were taken to Audit Committee on 30th April 2015, confirming that all recommendations have been fully implemented and the grant payment for 2013/14 will now be made.

The Comptroller and Auditor General for Northern Ireland carried out a statutory review of the Board's 'Continuous Improvement Arrangements' as per Part V of the Police (NI) Act 2000. The report for 2014-15 contained an unqualified audit opinion. I have received no Ministerial directions during the year.

During 2012-13 an Internal Audit Report, Review of Procedures within Police Administration Branch, received limited assurance and the findings were reported to the

Audit and Risk Management Committee on 22 March 2013. Due to IT compatibility issues it has still not been possible for all corrective measures to be taken, however the Audit and Risk Management Committee has directed that an update on the remedial action taken is provided as a standing agenda item at all Audit and Risk Management meetings during 2015-16.

7 Accounting Officer Statement on Assurance

During the year PricewaterhouseCoopers LLP (PwC), the Board's Internal Audit service providers, completed their Annual Internal Audit Plan. PwC submitted reports together with recommendations for improvements where appropriate to the Audit and Risk Management Committee on a timely basis. Their Internal Audit Annual Report for 2014-15 contained an overall assurance statement on the Board's internal control framework, governance and risk management process. On the basis of the audit work performed during the year, they were able to provide **substantial assurance** in relation to the adequacy of the systems of control in place within the organisation and their operation throughout the year. They have received responses from management on issues raised and acknowledge that recommendations for improvements are being implemented.

I am therefore confident that the Board has in place a robust system of accountability, which I can rely on as Accounting Officer, and which complies with the 2013 Corporate Governance Code. The system allows me to provide the assurance that the Board will spend its money in line with the principles set out in Managing Public Money.

Having reviewed the evidence provided to me by the management assurance exercises, the risk registers, the 2014-15 annual internal audit report and the external audits of the Board, I am satisfied that the Board has maintained a sound system of internal control during the financial year 2014-15.



Barney McGahan
Interim Chief Executive
19 June 2015

NORTHERN IRELAND POLICING BOARD
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 Policing Board for the year ended 31 March 2015 under the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. 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 Northern Ireland Policing Board, Chief Executive and auditor

As explained more fully in the Statement of the Northern Ireland Policing Board and Chief Executive's Responsibilities, the Northern Ireland Policing Board 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 Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. 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 Policing Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Policing Board; 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 us 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 Northern Ireland Policing Board's affairs as at 31 March 2015 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and Department of Justice 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 Justice directions made under the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act

2003, as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and

- the information given in the Strategic Report, Board Report and the work of the Northern Ireland Policing Board 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

29 June 2015

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

		2014-15	2013-14
	Note	£000	£000
Expenditure			
Staff costs	3	2,457	2,455
Depreciation	6 & 7	128	120
Other expenditure	4	4,390	4,424
		<u>6,975</u>	<u>6,999</u>
Income			
Other income	5	(58)	(2)
		<u>(58)</u>	<u>(2)</u>
Net expenditure		<u>6,917</u>	<u>6,997</u>
 <u>Other Comprehensive Net Expenditure</u>			
Items that will not be reclassified to net operating costs:			
Net (gain) loss on revaluation of Property Plant and Equipment	6	(2)	24
Net (gain) loss on revaluation of Intangibles	7	(1)	7
		<u>6,914</u>	<u>7,028</u>
Total Comprehensive Net Expenditure for the year ended 31 March 2015		<u>6,914</u>	<u>7,028</u>

The notes on pages 90-115 form part of these accounts.

Statement of Financial Position as at 31 March 2015

		2014-15	2013-14
	Note	£000	£000
Non-current assets:			
Property, plant and equipment	6	184	211
Intangible assets	7	76	48
Total non-current assets		260	259
Current assets:			
Trade and other receivables	9	149	115
Cash and cash equivalents	10	64	50
Total current assets		213	165
Total assets		473	424
Current liabilities:			
Trade and other payables	11	(1,549)	(1,434)
Provisions	12	(644)	(570)
Total current liabilities		(2,193)	(2,004)
Non-current assets less net current liabilities		(1,720)	(1,580)
Non-current liabilities			
Provisions	12	(89)	(69)
Total non-current liabilities		(89)	(69)
Total assets less liabilities		(1,809)	(1,649)
Taxpayers' equity			
Revaluation reserve		16	13
General reserve		(1,825)	(1,662)
		(1,809)	(1,649)

The financial statements on pages 86 to 116 were approved by the Board on 19 June 2015 and were signed on its behalf by:



Barney McGahan
Interim Chief Executive
19 June 2015

The notes on pages 90-115 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2015

		2014-15	2013-14
	Note	£000	£000
Cash flows from operating activities		(6,914)	(7,028)
Adjustment for non cash transactions	4,6 & 7	414	628
(Increase) in trade and other receivables	9	(34)	(28)
Increase/(Decrease) in trade and other payables	11	115	(94)
Use of provisions	12	(221)	(94)
Net cash outflow from operating activities		(6,640)	(6,616)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(64)	(66)
Purchase of intangible assets	7	(36)	(9)
Net cash outflow from investing activities		(100)	(75)
Cash flows from financing activities			
Grants from sponsoring department		6,754	6,587
Net financing		6,754	6,587
Net increase (decrease) in cash and cash equivalents in the period	10	14	(104)
Cash and cash equivalents at the beginning of the period	10	50	154
Cash and cash equivalents at the end of the period	10	64	50

The notes on pages 90-115 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Revaluation Reserve		SoCNE Reserve £000	Total Reserves £000
	£000 Tangible Assets	£000 Intangible Assets		
Balance at 31 March 2013	39	5	(1,252)	(1,208)
Changes in Taxpayers' Equity 2013-14				
Grants from Sponsoring Entity	-	-	6,587	6,587
Transfers between reserves	(24)	(7)	31	-
Comprehensive expenditure for the year	-	-	(7,028)	(7,028)
Balance at 31 March 2014	<u>15</u>	<u>(2)</u>	<u>(1,662)</u>	<u>(1,649)</u>
Changes in Taxpayers' Equity for 2014-15				
Grants from Sponsoring Entity	-	-	6,754	6,754
Transfers between reserves	2	1	(3)	-
Comprehensive expenditure for the year	-	-	(6,914)	(6,914)
Balance at 31 March 2015	<u>17</u>	<u>(1)</u>	<u>(1,825)</u>	<u>(1,809)</u>

The notes on pages 90-115 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Board for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Board are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

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

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

1.2 Property, plant and equipment

Property, plant and equipment are capitalised at their cost of acquisition. The level for capitalisation as an individual or grouped non-current asset has been applied for the year shown at £1,000. The Board does not own any land or buildings. All property, plant and equipment is valued annually in accordance with the Office for National Statistics indices as published by the Stationery Office. Surpluses on revaluation are taken to the revaluation reserve. Deficits on revaluation are charged to the Statement of Comprehensive Net Expenditure to the extent that the loss exceeds the amount held in the revaluation reserve for the same asset.

1.3 Depreciation

Depreciation is provided on all non-current assets from the month they are brought into service, on a straight line basis in order to write off cost or valuation over their expected useful lives.

Estimated useful lives, which are reviewed regularly, are:

IT equipment	-	5 years
Office equipment and furniture	-	5 - 12 years
Intangible assets (software licences)	-	2 - 10 years

1.4 Intangible Assets

The Board recognises software licences as intangible non-current assets. Purchases of software licences are capitalised as intangible non-current assets where the purchase cost of an individual licence exceeds £1,000. Software licences are amortised over the shorter of the term of the licence and the useful economic life. Software licences are revalued annually using appropriate indices provided by the Office for National Statistics.

1.5 Operating income

Operating income comprises the recoupment of salaries for staff on secondment and externally generated programme funding received or receivable.

1.6 Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

1.7 Leases

Leases, where substantially all of the risks and rewards are held by the lessor, are classified as operating leases. These relate to photocopiers and rental of the Board's headquarters. Rentals are charged to the Statement of Comprehensive Net Expenditure in equal instalments over the life of the lease.

1.8 Financial instruments

The Board does not hold any complex financial instruments. This is due to the organisation being a non-trading entity and is financed as a Non Departmental Public Body. The only financial instruments included in the accounts are receivables and payables (Notes 9 and 11).

1.9 Financing

The Board is resourced by funds approved by NI Assembly through the latest comprehensive spending review. Resources are drawn down as required to meet expenditure requirements and are credited to the Statement of Comprehensive Net Expenditure Reserve.

1.10 Provisions

Provisions are recognised when: the Board has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

1.11 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise this judgment in the process of applying the Board's accounting policies. We continually evaluate our estimates, assumptions and judgments based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity are described below:

Depreciation and Amortisation: The Board assesses the useful economic life of assets on an annual basis.

Provision for Medical Appeals: The Board provides for the cost of outstanding appeals for the non-award of medical pensions based on the average value of cases previously settled.

1.11 Critical accounting estimates and judgments (cont.)

Provision for Injury on Duty (IOD) cases: The Board provides for the cost of outstanding cases where serving and ex-serving PSNI officers apply for medical retirement and/or injury on duty award. The cost of these cases is provided for on the basis of a contract with the Board's Selected Medical Practitioners, who undertake medical assessments of applicants. Based on past experience, the Board also provides for the cost of cases which may be subsequently appealed.

1.12 Value Added Tax (VAT)

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment.

1.13 Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS (NI)). The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents benefits. The Board recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payments 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 elements of the schemes, the Board recognises the contributions payable for the year.

1.14 Early departure costs

The Board is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early, from the date of their retirement until they reach normal pensionable age. The Board provides in full for this cost when the early retirement programmes has been announced and this is binding on the Board. There were no early departures during the year.

1.15 Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

1.17 Impairment of financial assets

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Board makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the Statement of Comprehensive Net Expenditure in those expense categories consistent with the function of the impaired asset.

1.18 Trade and other payables

Trade and other payables are recognised initially at fair value, which is usually the original invoiced amount. The most significant accrual is in relation to the PCSPs. This is due to the timing of claims submitted for payment and represents the final quarter's expenditure of the current financial year which will be paid post year end.

1.19 Employee benefits

Under IAS 19, an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. The Board has therefore recognised annual and flexi leave entitlements, bonuses and unpaid overtime that have been earned by the year end but not taken or paid. These are included in current liabilities for all staff across the Board.

1.20 Contingent liabilities

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

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

1.21 Insurance

Except where there is a statutory requirement to do so, the Board does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

1.22 Accounting standards, interpretations and amendments to published standards and *FReM* - issued and effective in 2014-15 for the first time

The Board has reviewed the standards, interpretations and amendments to published standards and *FReM* that became effective during 2014-15. The adoption of these standards are either not relevant to the Board's 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

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Board's accounting periods beginning on or after 1 April 2015 or later periods, but which the Board has not adopted early. Other than as outlined in the below, the Board considers that these standards are not relevant to its operations.

1.23 Accounting standards, interpretations and amendments to published standards not yet effective (cont.)

Standard	IFRS 13 - <i>Fair Value Measurement</i> (new)
Description of revision	<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 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 - based on a hierarchy for input quality. 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 of the sensitivity of the valuation to changes in those inputs.</p>
Effective date	1 January 2013 (EU adopted) - FReM 2015-16.
Comments	Although IFRS 13 is applied without adaptation, IAS 16 and IAS 38 have been adapted and interpreted for the public sector context to limit the circumstances in which a valuation is prepared under IFRS 13.

Standard	IAS 36 - Impairment of assets - recoverable amount disclosures (amendment)
Description of revision	This amendment, which seeks to address the implications of references to IFRS 13, modifies some of the disclosure requirements regarding measurement of the recoverable amount of impaired assets. It clarifies the scope of certain disclosures and removes burdensome and unintended disclosures requirements without reducing the relevance and understand-ability of the financial information.
Effective date	1 January 2014 (EU adopted) – with a view to include in the final version of the 2015-16 FReM.
Comments	To be considered by HM Treasury with the expectation that it will be applied when IFRS 13 is introduced in the FReM. Any adaptations or interpretations will follow due process and be included in the final version of 2015-16 FReM.

1.24 Financial Reporting - Future Developments

In addition to the changes identified above, there are a number of future developments that will impact the Board including:

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
IFRS 15 - Revenue from Contracts with Customers (IAS 18)	1 January 2017 (not yet adopted) but could be 1 January 2018.	The disclosure objective of the new Standard is to establish the application principles required for entities to report useful information to the users of financial statements to better understand the nature, amount, timing and uncertainty of	The introduction of IFRS 15 is subject to analysis and review by HM Treasury and other Relevant Authorities. A work plan recently began

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
replacement - Revenue Recognition and Liabilities Recognition)	With a view to include in the 2017-18 FReM.	revenue and cash flows from contracts with customers. The core principle recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Standard sets out five steps to recognise revenue and also includes requirements for accounting for contract costs.	to assess the impact on the public sector.
IFRS 9 - Financial Instruments (new)	1 January 2018 (not yet adopted). With a view to include in the 2018-19 FReM.	The objective of the new standard is to provide users with more useful information about an entity's expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date of financial instruments.	The introduction of IFRS 9 is subject to analysis and review by HM Treasury and other relevant Authorities. A work plan has recently started to assess the impact on the public sector.
IAS 17 Leases (replacement)	The IASB plans to issue the new Standard before the	The current proposals include the elimination of the current operating lease categorisation for virtually all leases. Instead, assets and liabilities will be recognised on a 'right of use' basis. Two possible	HM Treasury has continued to analyse this process including the project update and consideration of

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
	<p>end of 2015.</p> <p>FReM inclusion will be subject to consultation.</p>	<p>exemptions are anticipated, one being for short leases (less than 1 year) and the second being for small value assets.</p> <p>The latest update emphasises that service contracts are not required to be capitalised on the balance sheet and that the new Standard will include accompanying guidance to help entities assess whether a contract is (or contains) a lease.</p>	<p>practical implications. HM Treasury and Relevant Authorities will review the implications and follow due process once there is a final Standard.</p>
IAS 1 - Disclosure Initiative (amendment)	<p>1 January 2016 (not yet EU adopted)</p> <p>With a view to include in the 2016-17 FReM.</p>	<p>These amendments encourage professional judgement to be used in determining what information to disclose in financial statements, and where and in what order information is presented in the financial disclosures. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.</p>	<p>HM Treasury and other Relevant Authorities will review the implications of this amendment and follow due process nearer to the EU adoption date. Any substantive changes to the FReM will follow normal due process.</p>

Standard (amendment/new)	Effective date and FReM application	Description of revision	Comments
IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation (amendment)	1 January 2016 (not yet EU adopted) With a view to include in the 2016-17 FReM.	This amendment prohibits revenue-based depreciation methods and generally presumes that such methods are an inappropriate basis for amortising intangible assets. This is because a revenue-based method reflects a pattern of economic benefits being generated from the asset, rather than the expected pattern of consumption of the future economic benefits embodied in the asset.	HM Treasury and other Relevant Authorities will review the implications of these changes and follow due process nearer to the EU adoption date. Any substantive changes to the FReM will follow normal due process.

The Board has considered the remaining additional or revised accounting standards and new (or amendments to) interpretations contained within *FReM* 2015-16. The Board considers that these changes are not relevant to its operations.

2. Statement of operating costs by operating segment

At 31 March 2015 Northern Ireland Policing Board organised into two main business segments reported to the Chief Operating Decision Maker through monthly Management Accounts:

- expenditure which supports the statutory and other objectives of the Northern Ireland Policing Board ; and
- expenditure which supports the statutory and other objectives of the Policing and Community Safety Partnerships (PCSPs).

Further information in relation to the PCSPs can be found in section 5 of the annual report.

The segmental results for the year ended 31 March 2015 are as follows:

	NIPB £000	PCSPs £000	Total £000
Gross expenditure	4,649	2,323	6,972
Income	(58)	-	(58)
Net Expenditure	<u>4,591</u>	<u>2,323</u>	<u>6,914</u>

The segmental results for the year ended 31 March 2014 are as follows:

	NIPB £000	PCSPs £000	Total £000
Gross expenditure	4,914	2,116	7,030
Income	(2)	-	(2)
Net Expenditure	<u>4,912</u>	<u>2,116</u>	<u>7,028</u>

3. Staff numbers and related costs

(i) Staff costs comprise:

	2014-15 £000	2013-14 £000
Permanently employed staff		
Wages and salaries	1,738	1,661
Social security costs	135	134
Other pension costs	285	283
Total permanent staff costs	<u>2,158</u>	<u>2,078</u>
Secondments/agency costs	299	377
Total cost	<u>2,457</u>	<u>2,455</u>

(ii) Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI))

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) is an unfunded multi-employer defined benefit scheme but the Board is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £284,949 were payable to the NICS pension arrangements (2013-14: £283,013) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation scheme based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 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 of £Nil (2013-14: £Nil) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2013-14: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £Nil (2013-14: £Nil), 0.8% (2013-14: 0.8%) of pensionable pay, were 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.

Contributions due to the **partnership** pension providers at the balance sheet date were £Nil (2013-14: £Nil). Contributions prepaid at that date were £Nil (2013-14: £Nil).

Further information on pensions can be found in the Remuneration Report and in the Statement of Accounting Policies note 1.13.

(iii) Reporting of Compensation Schemes – Exit Packages

Reporting of exit packages for all staff

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 Order (Northern Ireland) 1972. Exit costs are accounted for in full in the year of departure. Where the Board has agreed early retirements, the additional costs are met by the Board and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Three members of staff left under an early exit package during the year. (2013-14 Nil)

Exit package cost band	Number of agreed departures	Total number of exit packages by cost band for 2014-15	Total number of exit packages by cost band for 2013-14
<£10,000	-	-	-
£10,000 – £25,000	3	3	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	-	-
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
Total number of exit packages	3	3	-
Total resource cost band	1	£50,000 – £100,000	Nil

(iv) The average number of persons employed:

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

	2014-15 Number	2013-14 Number
Permanently employed staff		
Senior management	4	4
Other directly employed staff	42	42
Total permanent staff numbers	<u>46</u>	<u>46</u>
Secondments/agency	9	10
Total number of employees	<u><u>55</u></u>	<u><u>56</u></u>

The average number of Board Members during the year was 19 (2013-14: 19).

4. Other expenditure

	Note	2014-15 £000	2013-14 £000
Grants to PCSPs		2,148	2,116
PCSP Recruitment Costs		175	-
American Consulate Fund expenditure		46	-
Running costs		469	640
Accommodation costs		391	404
Rentals under operating leases		340	336
Press and public relations		71	84
Information technology		130	130
Human rights monitoring		82	95
Pension medical services and appeals		208	114
External audit fees		15	15
Non-cash items			
Provisions provided for in year	12	341	534
Provisions released in year not required	12	(26)	(44)
Total		<u><u>4,390</u></u>	<u><u>4,424</u></u>

PCSPs are funded jointly by the Board and the DOJ reporting through a Joint Committee. The Joint Committee agrees the level of funding for each PCSP based on approval of their Partnership Plans. The PCSP expenditure, above, only relates to the Board's share of the cost.

5. Income

	2014-15 £000	2013-14 £000
Income source		
Reimbursement of payroll costs for secondment to the Chief Executives Forum (2013-14: Northern Ireland Local Government Association)	20	2
American Consulate Fund income	38	-
Total income	<u>58</u>	<u>2</u>

6. Property, plant and equipment

2014-15	Information Technology	Furniture & Fittings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2014	445	216	661
Additions	2	60	62
Disposals	-	(4)	(4)
Revaluations	4	-	4
At 31 March 2015	<u>451</u>	<u>272</u>	<u>723</u>
Depreciation			
At 1 April 2014	255	195	450
Charged in year	81	10	91
Disposals	-	(4)	(4)
Revaluations	2	-	2
At 31 March 2015	<u>338</u>	<u>201</u>	<u>539</u>
Carrying amount at 31 March 2014	<u>190</u>	<u>21</u>	<u>211</u>
Carrying amount at 31 March 2015	<u>113</u>	<u>71</u>	<u>184</u>
Asset financing:			
Owned	<u>113</u>	<u>71</u>	<u>211</u>
Carrying amount at 31 March 2015	<u>113</u>	<u>71</u>	<u>211</u>

Information technology and furniture and fittings are valued using relevant indices.

6. Property, plant and equipment (cont.)

2013-14	Information Technology	Furniture & Fittings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2013	429	207	636
Additions	54	12	66
Disposals	-	-	-
Revaluations	(38)	(3)	(41)
At 31 March 2014	445	216	661
Depreciation			
At 1 April 2013	195	187	382
Charged in year	76	9	85
Disposals	-	-	-
Revaluations	(16)	(1)	(17)
At 31 March 2014	255	195	450
Carrying amount at 31 March 2013	234	20	254
Carrying amount at 31 March 2014	190	21	211
Asset financing:			
Owned	190	21	211
Carrying amount at 31 March 2014	190	21	211

Information technology and furniture and fittings are valued using relevant indices.

6. Property, plant and equipment (continued)

2013-14	Information Technology	Furniture & Fittings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2013	429	207	636
Additions	54	12	66
Disposals	-	-	-
Revaluations	(38)	(3)	(41)
At 31 March 2014	445	216	661
Depreciation			
At 1 April 2013	195	187	382
Charged in year	76	9	85
Disposals	-	-	-
Revaluations	(16)	(1)	(17)
At 31 March 2014	255	195	450
Carrying amount at 31 March 2013	234	20	254
Carrying amount at 31 March 2014	190	21	211
Asset financing:			
Owned	190	21	211
Carrying amount at 31 March 2014	190	21	211

Information technology and furniture and fittings are valued using relevant indices.

7. Intangible Assets

	Software Licences £000
2014-15	
Cost or valuation	
At 1 April 2014	93
Additions	64
Disposals	(15)
Revaluations	1
At 31 March 2015	<u><u>143</u></u>
Amortisation	
At 1 April 2014	45
Charged in year	37
Disposals	(15)
Revaluations	-
At 31 March 2015	<u><u>67</u></u>
Carrying amount at 31 March 2014	48
Carrying amount at 31 March 2015	<u><u>76</u></u>
Asset financing:	
Owned	76
Carrying amount at 31 March 2015	<u><u>76</u></u>

7. Intangible Assets (cont.)

	Software Licences £000
2013-14	
Cost or valuation	
At 1 April 2013	161
Additions	17
Disposals	(77)
Revaluations	(8)
At 31 March 2014	<u>93</u>
Amortisation	
At 1 April 2013	88
Charged in year	35
Disposals	(77)
Revaluations	(1)
At 31 March 2014	<u>45</u>
Carrying amount at 31 March 2013	<u>73</u>
Carrying amount at 31 March 2014	<u>48</u>
Asset financing:	
Owned	<u>48</u>
Carrying amount at 31 March 2014	<u>48</u>

8. Financial instruments

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

9. Trade receivables and other current assets

(i) Analysis by type

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
VAT	74	45
Trade receivables	11	6
Prepayments and accrued income	64	64
Total receivables at 31 March	149	115

(ii) Intra-government balances

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
Balances with other central government bodies	74	45
Balances with local authorities	11	6
Subtotal: intra-government balances	85	51
Balances with bodies external to government	64	64
Total receivables at 31 March	149	115

10. Cash and cash equivalents

	2014-15 £000	2013-14 £000
Commercial banks and cash in hand		
Balance at 1 April	50	154
Net change in cash and cash equivalent balances	14	(104)
Balance at 31 March	64	50

11. Trade payables and other current liabilities

(i) Analysis by type

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
Other taxation and social security	11	12
Trade payables	167	60
Balances due to PCSPs	847	877
Accruals and deferred income	524	485
Total payables at 31 March	1,549	1,434

11. Trade payables and other current liabilities (cont.)

(ii) Intra-government balances

	2014-15	2013-14
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	466	349
Balances with local authorities	848	877
Subtotal: intra-government balances	<u>1,314</u>	<u>1,226</u>
Balances with bodies external to government	235	208
Total payables at 31 March	<u>1,549</u>	<u>1,434</u>

Balances with other central government bodies are with the DOJ, Crown Solicitors Office, HM Revenue and Customs, Northern Ireland Statistics and Research Agency, Department of Finance and Personnel, and the PSNI. Payable balances with local authorities are with the local Councils and relate to the PCSPs.

12. Provisions for liabilities and charges

2014-15	Early departure costs £000	Medical Appeals £000	IOD Cases £000	Legal Cases £000	Total £000
Balance at 1 April 2014	30	81	250	278	639
Provided in the year	-	117	89	135	341
Provisions not required written back	-	(9)	(17)	-	(26)
Provisions utilised in the year	(30)	(70)	(3)	(118)	(221)
At 31 March 2015	<u>-</u>	<u>119</u>	<u>319</u>	<u>295</u>	<u>733</u>

Analysis of expected timing of discounted flows.

	Early departure costs £000	Medical Appeals £000	IOD Cases £000	Legal Cases £000	Total £000
Not later than one year	-	119	230	295	644
Later than one year and not later than five years	-	-	89	-	89
At 31 March 2015	<u>-</u>	<u>119</u>	<u>319</u>	<u>295</u>	<u>733</u>

12. Provisions for liabilities and charges (cont.)

2013-14	Early departure costs £000	Medical Appeals £000	IOD Cases £000	Legal Cases £000	Total £000
Balance at 1 April 2013	73	34	89	52	248
Provided in the year	7	81	176	270	534
Provisions not required written back	(4)	(4)	(8)	(28)	(44)
Provisions utilised in the year	(46)	(30)	(7)	(16)	(99)
At 31 March 2014	30	81	250	278	639

Analysis of expected timing of discounted flows.

	Early departure costs £000	Medical Appeals £000	IOD Cases £000	Legal Cases £000	Total £000
Not later than one year	30	81	181	278	570
Later than one year and not later than five years	-	-	69	-	69
At 31 March 2014	30	81	250	278	639

(i) Early Departure costs

The Board provides for the additional cost of benefits beyond the normal PCSPS(NI) benefits in respect of employees who retire early. The provision covers pension costs from the date of their retirement until they reach normal pensionable age. The provision relates to the full costs of the restructuring exercise. Pension costs will be released over the period to which they relate.

(ii) Medical Appeals

This provision relates to outstanding appeals for the non-award of medical pensions and injury on duty pensions as a result of the percentage of disablement awarded, before and after review or due to the implementation date of the award for serving and ex-serving PSNI officers.

(iii) **Injury on Duty (IOD) Cases**

This provision relates to outstanding cases where serving and ex-serving PSNI officers apply for medical retirement and/or injury on duty awards.

(iv) **Legal Cases**

There are currently a number of outstanding legal cases in which the Board is named as defendant.

13. Capital commitments

There were no capital commitments outstanding at the year-end for which contracts had been entered into or which had been authorised by the Management Board.

14. Commitments under leases

Operating Leases

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

	2014-15	2013-14
	£000	£000
Premises		
Not later than one year	136	325
Later than one year and not later than five years	-	136
	<u>136</u>	<u>461</u>
	2014-15	2013-14
	£000	£000
Other		
Not later than one year	10	11
Later than one year and not later than five years	11	21
	<u>21</u>	<u>32</u>

15. Contingent liabilities disclosed under IAS 37

The Board has the following contingent liabilities:

Post Traumatic Stress Disorder Class Action

The Northern Ireland Policing Board and the PSNI are named defendants in a class action by 5,585 former and serving police officers. The hearing for this case began in November 2005 and concluded in June 2006. A judgement was delivered in June 2007 which found in favour of NIPB and PSNI under four of the five headings. The judge specifically referred to the formidable tasks individual plaintiffs may have in pursuing claims. This was confirmed by the successful defence by NIPB and PSNI in respect of the ten lead cases. An appeal by five lead plaintiffs and a cross appeal by the defendants on the issue that went against them, were lodged in October 2007. The NIPB and PSNI were largely successful in their defence of the generic issues in the five lead cases which were subject to appeal. A number of claimants indicated their intention to pursue their claims further as personal litigants within the relatively narrow restrictions imposed by the Court. The number of potential claimants is still unclear at this time. Some claimants have however taken steps to pursue their claims and the judge has set a timetable for management of these cases – some of these claimants are legally represented and some are acting as personal litigants. It is not possible at this time to provide a reliable estimate of any potential liability. It should be noted that £2 million has been included in the PSNI financial statements to cover the costs of the original action and subsequent appeal.

16. Losses and special payments

There were no losses and special payments over £250,000.

<u>Type</u>	2014-15		2013-14	
	No of Cases	£000	No of Cases	£000
Fruitless Payments	5	5	6	1

17. Related party transactions

The Board is a Non-Departmental Public Body of the DOJ.

The DOJ is regarded as a related party. During the year the Board has had a number of material transactions with the Department and with other government departments and central government bodies. Most of these transactions have been with the Department of Finance and Personnel, the Northern Ireland (NI) Assembly, the Crown Solicitor's Office, the Central Procurement Directorate, the Rate Collection Agency and the Northern Ireland Statistics and Research Agency (the last two are executive agencies of the Department of Finance and Personnel), the PSNI and Local Councils through the PCSPs.

The Board makes payments via the NI Assembly to researchers who are employed by the lead member of each political party represented on the Board. The research is in relation to Board work and amounts to £16k per annum on a pro rata basis for each party. During 2013-14 two political members employed a close family relative as a researcher. These transactions were made on the terms equivalent to those that prevail in arm's length transactions which the other political lead members entered into.

An Independent Board Member is employed by NI Alternatives, a company limited by guarantee which has charitable status. This organisation has been in receipt of grant funding from PSNI during the financial years 2013-14 and 2014-15.

With the exception of the above, no other Board member, key manager or other related parties have undertaken any related party transactions with the Board during the year.

17. Related party transactions (cont.)

Transactions with related parties are as follows:

Name of related party	Nature of transaction	Amount of transaction		Amount owed to/(from) related party	
		2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
Researchers	Salary	-	19	-	-
NI Alternatives	Grant funding	50	45	-	-

18. Events after the reporting period

No events as defined in IAS 10 have occurred subsequent to the year-end that require disclosure.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 29 June 2015

8.0 GLOSSARY

ACC	Assistant Chief Constable
AEP	Attenuating Energy Projectile
C&AG	Comptroller and Auditor General
CETV	Cash Equivalent Transfer Value
CJINI	Criminal Justice Inspection Northern Ireland
CSP	Civil Service Pensions
DCC	Deputy Chief Constable
DFP	Department of Finance and Personnel
DOJ	Department of Justice
DPA	Data Protection Act
DPCSPs	District Policing and Community Safety Partnerships
ECHR	European Convention on Human Rights
EQIA	Equality Impact Assessment
FCO	Foreign and Commonwealth Office
FOI	Freedom of Information
FReM	Financial Reporting Manual
HET	Historical Enquiries Team
HMIC	Her Majesty's Inspectorate of Constabulary
IA	Information Assurance
ICO	Independent Community Observers
ICV	Independent Custody Visitor
ICVA	Independent Custody Visiting Association
IFRS	International Financial Reporting Standards
IIP	Investors in People
IIV	Investors in Volunteers
IOD	Injury on Duty
IPAB	International Police Assistance Board
IT	Information Technology
JSA	Justice Security Act
LGB&T	Lesbian, Gay, Bisexual and Transgender
MLA	Member of the Legislative Assembly
MOU	Memorandum of Understanding
NCA	National Crime Agency
NDPB	Non Departmental Public Body
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
NIO	Northern Ireland Office
NIPB	Northern Ireland Policing Board
NIPSA	Northern Ireland Public Services Alliance
NISRA	Northern Ireland Statistics and Research Agency
OCTF	Organised Crime Task Force
OFMDFM	Office of the First Minister and Deputy First Minister
OPONI	Office of the Police Ombudsman Northern Ireland
OSC	Office of the Surveillance Commissioner
PABNI	Police Advisory Board NI
PACE	Police and Criminal Evidence Order
PAT	Police Appeals Tribunals
PCSP	Policing and Community Safety Partnership
PCSPS(NI)	Principal Civil Service Pension Scheme
PEG	Policy Evaluation Group
PPS	Public Prosecution Service

PSNI	Police Service of Northern Ireland
RIPA	Regulation of Investigatory Powers Act
PWC	Policing with the Community
RMP	Royal Military Police
RPA	Review of Public Administration
SCS	Senior Civil Service
SLA	Service Level Agreement
SMP	Selected Medical Practitioner
SMT	Senior Management Team
SUA	Small Unmanned Aircraft
TACT	Terrorism Act 2000
TALK	Transformation, Advocacy, Leadership, Knowledge
YAP	Youth Advisory Panel
YJA	Youth Justice Agency

Northern Ireland Policing Board

Waterside Tower
31 Clarendon Road
Clarendon Dock
Belfast BT1 3BG

Tel: 028 9040 8500 Fax: 028 9040 8544
Textphone: 028 9052 7668

Email: information@nipolicingboard.org.uk
Website: www.nipolicingboard.org.uk
Facebook: www.facebook.com/policingboard
Twitter: @nipolicingboard

Document Title

Annual Report and Accounts
For the Period
1 April 2014 – 31 March 2015

Laid before the Northern Ireland Assembly in accordance with paragraph 16 of Schedule 1 to the Police (NI) Act 2000 as amended by the Police (NI) Act 2003 and Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

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