



**PBNi** Probation Board  
for Northern Ireland

# ANNUAL REPORT & ACCOUNTS

**CHANGING LIVES  
FOR SAFER COMMUNITIES**

## **Probation Board for Northern Ireland Annual Report and Accounts for the year ended 31st March 2024**

*The Annual Report is laid before the Northern Ireland Assembly under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 by the Department of Justice.*

*The Statement of Accounts and Report of the Comptroller and Auditor General is laid before the Northern Ireland Assembly under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 by the Comptroller and Auditor General for Northern Ireland.*

*on*

*5 July 2024*

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# **PERFORMANCE REPORT**

## **THE PERFORMANCE REPORT**

### **BOARD CHAIR'S FOREWORD**

I am delighted to present the Probation Board for Northern Ireland (PBNI) Annual Report for 2023/24.

It has been another challenging year for Probation, not least due to the difficult decisions the Board had to take to live within the allocated budget for this period. Due to the scale of the budget reductions this year it was clear from the outset that there was going to be a very significant impact on the delivery of probation services. It was for this reason that I requested the Board meeting in May 2023 focus on the short- and long-term impacts of our reduced budget on service delivery.

At that Board meeting, the Executive Team presented a series of options which they put forward following consultation with all managers and staff to try to navigate the least harmful course of action in the year ahead. Importantly the priority was to prioritise support to front-line staffing to ensure we continued delivery of our commitment to providing safer communities. However, difficult decisions still had to be made about services.

Reluctantly the Board agreed to a range of proposals which included changing our model of programme delivery and only providing programmes to those who were assessed as 'high risk'. The Board also approved changes to the delivery of ECOs, reducing the intensity of the Enhanced Combination Order which is an alternative to short prison sentences. It also meant reducing our funding to partners in the community and voluntary sectors who provide vital services to support our rehabilitation and resettlement work. We also significantly reduced our learning and development capacity and the work of PPRU.

These were difficult decisions, which we hope are temporary rather than permanent changes to practice. I have written to the Department on a number of occasions and sought meetings at the highest levels within DoJ to put on record the Board's concern with the risks associated with these decisions.

During the year PBNI continued to experience significant staffing pressures given the gap between the supply and demand for qualified social workers. Staff retention has been a challenge with an outdated pay framework in place for decades within PBNI.

Board members remained firm in their ongoing commitment to pay modernisation and supporting Senior Management in securing approval for a Business Case to allow for a new pay framework to be implemented. Concerned about the delays with the approval process I called a Special Board Meeting in October 2023. We continued to lobby across the Department and with community leaders for a speedy resolution to the Business Case. I am delighted to report that this Business Case has now been approved by the Department of Justice and Department of Finance and the Board look forward to being updated on the continued progress on the implementation of pay modernisation.

Acknowledging the challenges being faced by staff it was particularly important for Board members to get out and about and visit teams during the year. This included attending Open Days organised in each of the three prisons, local engagement events, several office visits and Community Service projects. These visits are a great opportunity to find out more about the work staff undertake on a daily basis and the challenges faced. I was also privileged to participate in a Long Service Award ceremony for staff late in 2023 and was delighted that several members were also in attendance.

The Board also held two themed meetings during the year which linked in with the Corporate Plan 2023-26 Strategic Priorities. The first one focused on 'Our People' and 'Our Services'. This provided an opportunity to hear from the leaders from the 5 Nations of Probation on key challenges and staffing issues facing each jurisdiction and any innovative solutions that are being implemented. The second meeting which was led by the Policy and Practice Committee (PPC) focused on Strategic Priority 'Our Partnerships' with a theme of 'Working in Partnership across the Criminal Justice System'. We were privileged to have input from the Presiding District Judge, Permanent Secretary in the Department of Justice, Deputy Chief Constable and Police officers from Public Protection Branch.

Following the high-profile data breach late last summer I requested that the Chair of the Audit and Risk Assurance Committee undertake a review of Data Management and Information Security. This resulted in a Data Protection Healthcheck being conducted independently by the Chief Information Officer at DoJ who reviewed two of the areas within PBNI that hold sensitive information – Human Resources and Public Protection. The findings were reported to the Board earlier this year and both areas received a "green" rag status with a small number of recommendations to take forward.

With an increase in sick absence among staff within PBNI I also requested that the Corporate Resources Committee Chair undertake a thematic review of the management of sick absence and the support services available to staff. A Terms of Reference was agreed and several Members

attended a Sick Absence Review Workshop in February 2024. This work is ongoing and a full report will be brought to the Board in due course.

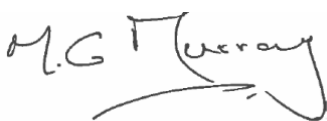
Unfortunately two of our Members had to resign during the 2023-24 period. Maurice Keady resigned in May 2023 due to personal reasons after serving on the Board for over two years. Dr Jonny Byrne, PPC Chair resigned at the end of March 2024 after a 5 year tenure as he was commencing a new role which would potentially generate a conflict of interest. I would like to express my gratitude to both Members for their excellent contribution to the work of the Board during their tenure and their dedication and commitment to the role.

A Board Effectiveness survey was also undertaken for this period and results overall were very positive. Generally Members agreed that the Board displayed a good level of governance throughout the year and that a strong relationship has been developed between the Board and Senior Management. Areas for attention included the need for the Board to develop improved working relationships with Sponsor Branch and to promote the work of PBNI across Justice and Departments. These will be taken forward in the next year.

Funding remains a challenge for all public sector organisations. However, despite these and other challenges faced, Probation staff continue to deliver high quality services, changing lives and making our communities safer.

I also want to put on record my thanks to the Chief Executive for the leadership she has shown during this difficult reporting period. In particular, I want to acknowledge the sterling work carried out by Amanda, her senior team and the unions on pay modernisation.

I also want to pay tribute to Board members for their ongoing support, professionalism and commitment in providing strategic direction to the PBNI. As Board members we feel privileged to work with staff who take pride in the work they do, continue to live up to the high standards expected and also work within the Values agreed for the organisation.



**Mr Max Murray CBE**  
**Chairperson**



## **INTRODUCTION FROM THE CHIEF EXECUTIVE**

I am pleased to present the Probation Board for Northern Ireland's (PBNI) Annual Report for 2023-24.

This year has been a challenging one, but significant progress has also been made on tackling several key issues and risks for the organisation.

In this financial year, we have delivered on most of our business plan objectives, managed our corporate risks appropriately and delivered our services to communities throughout Northern Ireland in line with our budget allocation. Living within our budget however has not been easy and it has meant making some difficult decisions which has impacted upon our service delivery.

Over the last number of years, Probation has had to make significant changes to the delivery of services to live within its budget. Between 2014 and 2018, we had to deal with significant cuts amounting to over 16% of our budget. However, the reductions in the last year (a real cut of 6.1%) has fundamentally affected our services.

For example, we have had to reduce the capacity of our programmes' work and reduce the intensity of our Enhanced Combination Order. We also reduced funding to community and voluntary partners and significantly reduced our training and corporate services budget. These are decisions we made very reluctantly, as we know they impact upon the level and quality of service we can deliver. Within programmes we have focused on high-risk perpetrators with those scoring medium risk now having their case assessed by a panel who make decisions about the individual attending a group programme. Those who are low risk undertake one-to-one work with their probation officer. Similarly, the Enhanced Combination Order which was singled out by the NI Audit Office as an example of good practice and an effective alternative to short term prison sentences has been adjusted so that we focus primarily on those presenting as high-risk. Reducing our work with low and medium risk individuals means that we are potentially missing opportunities to address areas of concern at the earliest opportunity. We are evaluating the impact of the decisions we had to take and believe that the changes we have made to services are unsustainable in future years.

Probation is unique within criminal justice in that it works at every stage of the justice process – in courts, in communities, in prisons and directly with victims of crime. That means we work with a range of partners including the Police Service, the Judiciary, the Prison Service and community and

voluntary groups. Any adjustments to our services, therefore, have the potential to impact on other parts of the justice system.

We have continued this year to deal with the critical issue of staff retention particularly social work qualified staff. We have lost some of our experienced staff mainly because of the pay differential between social workers within Probation and social workers in other sectors. Our average rate of attrition during 2023 was 11% and at its worst in May 2023 was 13%. This is creating significant organisational staff turnover and as a result is having an adverse impact on staff workloads and on how we deliver probation services. The impact of pay disparity was reflected in our staff engagement survey which we conducted in October 2023. Staff told us that because of the outdated pay framework they felt they were not valued members of the justice system. I am delighted therefore that we now have confirmation that our business case on pay modernisation has been approved by the Department of Justice and Department of Finance and I am hopeful that in the coming months the new pay framework, once implemented will provide a level of stability to the service that is much needed.

Despite the challenges over the last year, we know that the work carried out by probation makes a real and significant impact across society. Community sentences address the rehabilitative needs of people who have offended and have a punitive element ensuring that people who have committed crimes are punished. A growing body of evidence demonstrates that community sentences are more effective than short prison sentences at reducing reoffending. In nearly every jurisdiction research has shown that community sentences are more effective than prison sentences of less than 12 months. In Northern Ireland, the proven reoffending rate for adult offenders sentenced to a court order was nearly half that of adult offenders released from custodial sentences of less than 12 months. In 2020-21 48.9% of adults released from custody reoffended whereas 27.4% of adults on a community sentence reoffended. One reason why community sentences are more effective than short custodial sentences at reducing reoffending is that they allow people to retain contact with the support networks and services which can help to address the factors contributing to their offending. For example, they allow for the maintenance of family ties, jobs, and childcare responsibilities—all factors which reduce the risk of reoffending.

Over the coming year we would like to see an increase in the numbers of community sentences. We know that prison numbers are at their highest level, and we believe we can contribute to reducing prison numbers by working with the judiciary and others to build confidence in the effectiveness of community sentences.

In the last year we produced a short film to explain the work of probation and raise awareness about the effectiveness of sentences served in the community. In the coming months we will use that film to enhance our engagement with key stakeholders and the wider public. The context we work in can make it difficult for the positive work that we are involved in to be amplified. It is however, vital that we use all opportunities to explain what we do, tell our story and build awareness and confidence in the services we deliver.

The mark of our success is often explained in the numbers of people who complete their community sentence, the proven reoffending rates and the quality and timeliness of reports that we provide to sentencers, parole commissioners and other partners. The real impact however is the difference that staff make to people's lives every day and the feedback we get from people we work with. Every day I see that impact and hear that feedback. I am incredibly proud of the work all staff carry out to prevent people becoming victims of crime and make our communities safer.

A handwritten signature in black ink that reads "Amanda Stewart". The signature is written in a cursive, flowing style.

**Amanda Stewart OBE**  
**Chief Executive**

## **OVERVIEW**

The purpose of this overview section is to outline the Probation Board for Northern Ireland's performance during the 2023-24 financial year and to highlight the key issues and risks identified by management. It also includes high level information on the purpose and activities of the Board.

### **Statement of Purpose and Activities of the Organisation**

The Probation Board was established as a Non-Departmental Public Body (NDPB), under the Probation Board (Northern Ireland) Order 1982 in accordance with a recommendation in the Report of the Review Group on Legislation and Services for Children and Young Persons in Northern Ireland (1979), that the Probation Service in Northern Ireland should be separated from Central Government and become responsible to a community-based Board. The first Board was appointed in December 1982. Each Board is of three years' duration and the current Board was appointed in March 2022.

The Board's main functions are set out in the Probation Board (Northern Ireland) Order 1982. In addition, other legislation relating to probation activities is in the Criminal Justice (Northern Ireland) Order 1991, Criminal Justice (Northern Ireland) Order 1996, Criminal Justice (Northern Ireland) Order 2008 and the Criminal Justice (Children) (Northern Ireland) Order 1998, and in relevant amendments thereto.

The Probation Board is an executive NDPB of the Department of Justice (DoJ).

The Permanent Secretary of the DoJ, who is the principal Accounting Officer of the DoJ, designated the Chief Executive as NDPB Accounting Officer for the Probation Board.

## OUR ROLE

Probation is a central part of the criminal justice system in Northern Ireland. It works to address the causes of offending to help prevent people coming back into the system again and protects the public from harm caused by re-offending. The services we provide enable individuals to change their behaviour which in turn reduces the likelihood of reoffending, reduces the numbers of victims, and makes communities safer.

We are primarily responsible for the management of people on probation (those serving a community sentence or who have been released from prison subject to licence) and for preparing pre-sentence reports for judges and magistrates in the courts to enable them to choose the most appropriate sentence. Probation staff also work in prisons preparing people for release into the community and we provide an information service for victims of crime and restorative interventions where appropriate.

Our responsibilities include:

### Supervising People on Probation:

We do this by assessing and managing individuals' risks, and planning interventions to seek to tackle the root causes of their offending behaviour. We take a trauma informed approach acknowledging that many of those who we work with will have experienced Adverse Childhood Experiences (ACEs). Probation staff also hold people to account if they do not comply with the conditions of Court Orders or Licences and take enforcement action if needed to keep people and communities safe.

### Preparing Pre-Sentence Reports:

Probation work with both Magistrates courts and Crown courts and prepare reports about the people charged with an offence. These are called Pre-Sentence Reports, or PSRs. They help the Magistrates and Judges decide on the most suitable and effective sentence to give. To do this a probation officer will consider the circumstances that led to someone offending and consider how likely they are to offend in the future.

### Public Protection:

The Public Protection arrangements in Northern Ireland (PPANI) aim to provide a multi-agency, co-ordinated system of risk assessment and risk management that is effective in reducing the

immediate and long-term risk of sexual or violent re-offending. Probation staff do this in conjunction with the Police, Prisons, Social Services and other Government and Voluntary organisations.

#### Programmes and Interventions:

Probation staff deliver accredited programmes that deal with offending behaviour including violent and sexual offending. We also deliver programmes and interventions to address domestic abuse and to support healthy relationships. Our probation officers are social workers who are qualified and regulated by Northern Ireland Social Care Council and trained in risk assessment and management which are essential skills in this complex and challenging work. We also have staff who are psychologists, community service officers, probation services officers, and administrative staff in operational teams. We also employ finance, communications, human resources and IT staff to support front line staff and carry out our statutory duties. Every member of staff contributes to changing lives for safer communities.

#### Working in Prisons:

Probation staff work in all prisons in Northern Ireland in partnership with prison staff to deliver resettlement services, which are a key element of reducing the risk of reoffending when someone leaves prison.

#### Community Service:

Those on community service pay back and make reparation to communities by providing unpaid work. The work undertaken helps improve the local environment, enhances public confidence in community sentences, and can be a pathway into employment for service users.

#### Providing an Information Service to Victims of Crime

The PBNI Victim Information Unit manages three Victim Information Schemes which provide information about the Criminal Justice System at key stages of the individual's sentence, in a manner which is accessible, understandable, and supportive. Where appropriate, staff also deliver restorative interventions to victims and survivors.

## OUR AIMS AND VALUES

**PBNI's aim is: 'Changing lives for safer communities'**

### **Our Vision**

We will reduce reoffending by working together to tackle the complexities associated with the root causes of offending behaviour and rehabilitating people and reintegrating them into their communities. We will be collaborative and transformative to reduce the number of victims of crime and build safer communities.

### **Our values and guiding principles**

Our organisational values are key to our way of working and outline how members of the public, service users and staff can expect to be treated when engaging with PBNI. Our values are supported by guiding principles. Our values act as the foundation for our principles.

# Our Values

## **Respect**

**We will treat everyone with respect and dignity at all times and value diversity and differing viewpoints.**

## **Integrity**

**We will act in a way that engenders trust with all.  
We will be honest in what we say and do.**

## **Openness**

**We will encourage people to speak up and make suggestions about practice and we will be open about our decision making.**

## **Accountability**

**We will be accountable for our decisions and actions.**

In light of the prevalence of adversity and trauma among our service users we wish to ensure there is proportionate support for both our service users and our staff. We aim to take account of the principles of trauma informed practice which are:

- Safety; fostering psychological and physical safety in staff and service users.
- Trustworthiness and transparency; across systems to promote a sense of fairness.
- Peer support.
- Collaboration and mutuality; a shared vision where everyone has a role to play.
- Empowerment, voice and choice; service users as key stakeholders influence key decisions.
- The recognition of the cultural, historical, and gender issues (including sectarianism) which impact on service users.



## OUR STRATEGIC PRIORITIES AND OUTCOMES

During 2023-24 PBNI consulted and produced a new Corporate Plan setting our priorities and outcomes for the next three years from 2023-2026. Probation Board members, senior leaders and partners attended facilitated workshops and engaged with partners on our strategic priorities. We worked hard to be as inclusive as possible and put staff, service users and our partners at the heart of this consultation process.

We produced a plan setting out four clear strategic priorities and linked outcomes.

### OUR PEOPLE



**1** We will develop, support, and empower our staff to maintain effective service delivery

**OUTCOME:**

Our people are supported through a positive and inclusive working environment to deliver an effective and stable probation service.

### OUR SERVICES



**2** We will deliver an effective, statutory probation service to reduce reoffending and protect the public

**OUTCOME:**

We have a safer community through the delivery of high-quality, effective probation services.

### OUR FUNDING



**3** We will prioritise our budget and estate to maximise service delivery

**OUTCOME:**

The Probation Service is sustainable, adaptable and prepared for future challenges.

### OUR PARTNERSHIPS



**4** We will develop our current partnerships and create new partnerships to help make communities safer

**OUTCOME:**

We have developed partnerships to help make communities safer.

To support the evaluation and delivery of the Corporate Plan 2023-26, an outcomes framework and business plan was agreed for the 2023-24 year. It explains what we will do and what information we will use to evaluate if we have made progress towards achieving our outcomes.

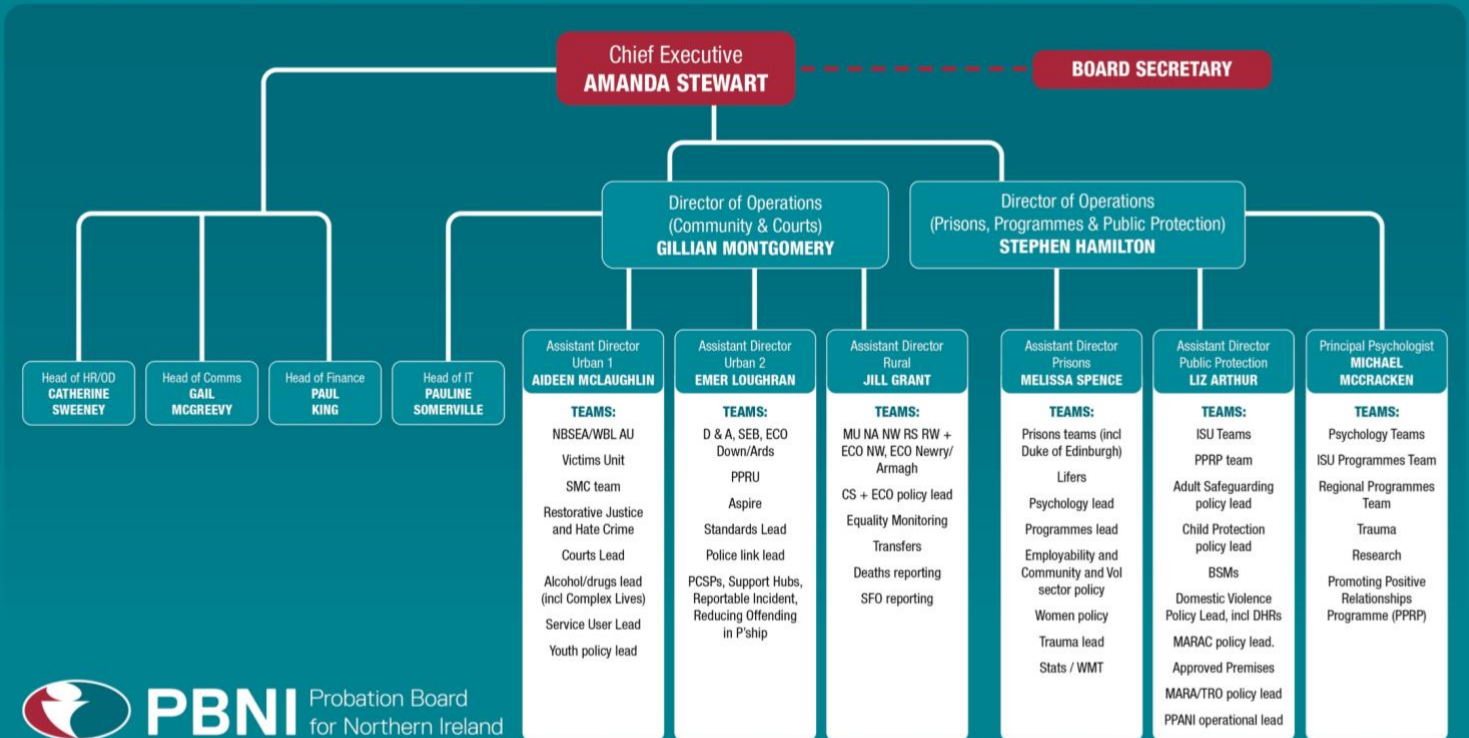
The nine indicators and 22 actions outlined in the Plan will be used to help quantify the progress towards our outcomes. Details of our progress are set out within the performance report.

This approach marks a new way of assessing and measuring our impact. It is the beginning of a journey towards ensuring that we have the evidence in place to demonstrate that we are making a difference to people's lives. As we develop this new approach and are cognisant of future budgetary

and political developments there may be a need to adjust and reprioritise our outcomes, indicators and actions in future years.

## OUR OPERATING MODEL

A high-level organisation structure of PBNI is set out below:



## KEY ISSUES AND RISKS

The Board and senior management have carried out a robust review of the principal and emerging risks facing PBNI.

### Risk Summary

	LIKELIHOOD			
IMPACT	Low	Moderate	High	Extreme
Extreme	.	.	.	●
High	.	●	●●	.
Moderate	●	.	.	.
Low	.	.	.	

RISK CLASSIFICATION	
Extreme	12 to 16
Medium	6 to 11
Low	3 to 5
Very Low	1 to 2

At the 31 March 2024 there were five risk areas identified on PBNI's Strategic Risk Register (SRR). Details are set out below.

1. People- Insufficient capacity and capability		
<p><b>Description &amp; Impact</b>                      Inability to attract, recruit and retain experienced Probation Officers due to an insufficient supply of social workers and better pay in other sectors.                      Resulting in reduced capacity (vacancies) and capability (experience/knowledge) in some PBNI teams with inexperienced Probation Officers carrying high risk cases and deviation in Practice Standards meaning individuals subject to community supervision are seen less frequently.</p> <p><b>Risk Mitigation &amp; Key Actions</b>                      A programme of work to progress pay modernisation was undertaken with representatives of Trade Unions and DOJ. Opportunities for staff engagement and communication on pay modernisation and other issues impacting staff.                      (3) Deviations in standards agreed by Dir of Ops, monitored and reported to the Board.</p>		
<b>Link to Strategic Priorities</b>	<b>Change during 2023-24</b>	<b>Closing Risk Score</b>
SP1	Increased	12

## 2. Reputational/Operational- PBNI fails to provide a high quality service

### Description & Impact

Inability to attract, recruit and retain experienced Probation Officers due to an insufficient supply of social workers and better pay in other sectors, with increasingly complex Service User needs.

Resulting in reputational damage to PBNI, deviations in standards, reduced service to NI Courts & Tribunal Service (NICTS) and Parole Commissioners (PCNI) and outcomes for Victims registered on the Victim Information Schemes and Service Users with complex issues with potential to impact on reoffending rates which impacts wider society.

### Risk Mitigation & Key Actions

A programme of work to progress pay modernisation was undertaken with representatives of Trade Unions and DOJ. Opportunities for staff engagement and communication on pay modernisation and other issues impacting staff.

Deviations in standards agreed by Dir of Ops, monitored and reported to the Board.

Link to Strategic Priorities	Change during 2023-24	Closing Risk Score
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SP1	Increased	9
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## 3. Financial – PBNI has insufficient resources to meet future demand for services.

### Description & Impact

Insufficient financial resources to meet statutory requirements and operational demand. Leading to inadequate probation practice, ability to meet statutory responsibilities and to deliver key priorities in the Corporate Plan.

### Risk Mitigation & Key Actions

Actions have been taken in year to reduce some service levels and mitigate future pressures.

Planning assumptions and initial budget scenarios have been developed to highlight the impact of budget scenarios going forward.

Link to Strategic Priorities	Change during 2023-24	Closing Risk Score
------------------------------	-----------------------	--------------------

SP3	Increased	12
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<b>4. Business Continuity – PBNI infrastructure failures</b>		
<b>Description &amp; Impact</b>		
<p>A threat such as another Covid surge, fire, electricity outage, flood, cyber-attack or other causes of operational failure impact on critical infrastructure that impacts ability to deliver services or ECMS (information system) or Content Manager (records).</p> <p>Breaches to the availability, accuracy, or confidentiality of information, including personal information.</p> <p>Reduction in in-house IT support including staffing vacancies in ECMS Team.</p> <p>Key PBNI / DOJ/ DOF infrastructure failures lead to loss of ability to carry out business and / or loss of personal information.</p>		
<b>Risk Mitigation &amp; Key Actions</b>		
<p>Business Continuity Plan in place.</p> <p>Test of Business Continuity annually and plans updated accordingly.</p>		
<b>Link to Strategic Priorities</b>	<b>Change during 2023-24</b>	<b>Closing Risk Score</b>
SP2	Static	3

<b>5. Reputational - PBNI fails to adequately risk assess and supervise Service Users</b>		
<b>Description &amp; Impact</b>		
<p>Service User under PBNI supervision committing a Serious Further Offence (SFO) and it is found that Practice Standards were not adhered to by the Probation Officer or deviations in place agreed by management.</p> <p>Resulting in reduced confidence in PBNI's ability to keep communities safe.</p> <p>Completion of Serious Case Review and referral to Safeguarding Board for Northern Ireland, and increased number of victims.</p>		
<b>Risk Mitigation &amp; Key Actions</b>		
<p>Practice Standards are in place with agreed deviations;</p> <p>Monthly Area Manager monitoring and increased focus on cases in monthly supervision</p> <p>Serious Further Offences process / DHR's / SCR's are in place to capture and share learning.</p> <p>Practice seminars delivered across organisation on professional curiosity.</p>		
<b>Link to Strategic Priorities</b>	<b>Change during 2023-24</b>	<b>Closing Risk Score</b>
SP2	Decreased	6

The mitigating actions for each of the above risks were monitored during the financial year. The SRR was updated by senior managers and reviewed on a quarterly basis, through the Senior Leadership Team meeting and a focus on specific risk areas each month.

These updates were then considered by the Board's Audit and Risk Assurance Committee before being recommended to the Board of PBNI for final approval on a quarterly basis.

## **Going Concern**

During 2023-24, the Probation Board was financed by a grant from the Department of Justice Request for Resources (Supporting and developing an efficient, effective and responsive Criminal Justice System), the statutory authority being Article 7 (1) of the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

In compliance with International Accounting Standard (IAS) 19, the Probation Board has recognised a pension scheme liability of £157k in its Statement of Financial Position (liability of £164k in 2022-23). Overall net liabilities are £3,086k for 2023-24, compared to net liabilities of £689k in 2022-23.

The Probation Board has paid pension contributions to Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC) in accordance with the scheme's specifications.

It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Probation Board is supply financed and draws its funding from the Consolidated Fund via the Department of Justice. Therefore, there is no liquidity risk in respect of the liabilities due in future years. It is therefore appropriate for the Probation Board's accounts to continue to be prepared on a going concern basis.

## **PERFORMANCE SUMMARY**

2023 - 24 was the first year of the 2023 - 2026 Corporate Plan which sets out four outcomes that we want to deliver to achieve our aim of 'changing lives for safer communities'. The outcomes are:

- Our people are supported through a positive and inclusive working environment to deliver an effective and stable probation service.
- We have a safer community through the delivery of an effective probation service.
- The Probation Service is sustainable, adaptable, and prepared for future challenges.
- We have developed partnerships to help make communities safer.

This Outcomes Framework and Business Plan Year 1 supports the evaluation and delivery of the Corporate Plan 2023-26 across a 12-month period.

The nine indicators and 22 actions outlined in the Plan will be used to help quantify the progress towards our outcomes.

The outcomes are arranged under the four Strategic Priorities of the PBNI Corporate Plan 2023-26.

### **Performance against 2023-24 Business Plan Objectives**

The key outcomes for the 2023-24 Business Plan achievements are listed below. There were a total of nine indicators and overall performance is described within the categories below:

Green: Achieved

Amber: Partially Achieved

Red: Not Achieved

At the end of the fourth and final quarter of the year 2023-24 (January – March 2024), of the 22 areas requiring action:

- 16 are complete (green)
- Five are 'in progress' (amber)
- One has a Red (Delayed/not achieved) rating.

The red rating refers to the first action vis a vis the OBC for Pay Modernisation as at the end of Q4.

The amber ratings refer to areas in which the work that could be undertaken was undertaken, but nevertheless the outcome that would be desired is still not present. It is noted that this is year one of a three year plan, and these issues will carry forward into the next business year.

The amber assessments relate to the actions regarding:

- becoming a trauma informed organisation;
- the issues regarding reduction of work relating to ECOs and Offending Behaviour Programmes;
- the Service User survey
- the Sentencer survey
- the innovation/continuous improvement plan.

As a consequence, in terms of the four outcomes, at the end of the year the first outcome (people) is rated as red; the second outcome (services) is rated as amber/green; the third outcome (resources) is amber/green; and the fourth outcome (partnerships) is rated green.



Performance on the Key Outcomes under these Strategic Priorities is provided in the Performance Analysis section.

	Green	Amber	Red
Indicators	No. of Actions		
<p>Outcome 1: Our people are supported through a positive and inclusive working environment to deliver an effective and stable probation service.</p> <p>Indicators: Our people feel valued, fairly remunerated, and supported.</p> <p>Our people are highly engaged, resilient and equipped to carry out their role and develop their careers with PBNI.</p>	4	1	1
<p>Outcome 2: We have a safer community through the delivery of an effective probation service.</p> <p>Indicators: Delivery of effective interventions and programmes for high-risk service users.</p> <p>Reoffending rates which evidence an effective probation service.</p> <p>Levels of confidence and satisfaction with overall probation service.</p>	5	3	
<p>Outcome 3: The Probation Service is sustainable, adaptable, and prepared for future challenges.</p> <p>Indicators: PBNI has a consolidated estate which is appropriate, meets the needs of service delivery.</p> <p>PBNI utilises its resources to deliver services effectively and efficiently.</p>	2	1	
<p>Outcome 4: We have developed partnerships to help make communities safer.</p> <p>Indicators: Probation has partnerships in place to reduce reoffending and protect the public.</p> <p>Communities and partners are aware of the work carried out by PBNI.</p>	5		
<b>Total Actions</b>	<b>16</b>	<b>5</b>	<b>1</b>

# 2023/24 HIGHLIGHTS

**5** OFFICE  
ENGAGEMENT  
EVENTS



**100**  
STAKEHOLDERS



**RAISING  
LOCAL  
AWARENESS  
OF PROBATION  
WORK**

**28**  
DPIAs



**DATA SHARING  
AGREEMENTS COMPLETED**



**NEW  
CAPITAL PLANS  
FOR NEXT  
10 YEARS  
ON ASSET  
RENEWAL  
& UPGRADE**



**A NEW PAY  
& GRADING  
STRUCTURE**

**APPROVED** ✓

  
**SOCIAL  
MEDIA  
ENGAGEMENT  
HAS INCREASED**

**8%**  
**3,753**

X f YouTube Instagram  
**FOLLOWERS**

 **PBNI**

**IN 2024**

**SHORT  
ADJOURNMENT  
REPORTS**

**400**

**AGREED WITH  
COURTS**

## PERFORMANCE ANALYSIS

PBNI manages performance against the 2023 - 2024 Business Plan Outcomes. Progress and the potential risk or uncertainty of non-achieving is monitored on a quarterly basis by the Senior Leadership Team at the Senior Leadership team meeting by reviewing the Business Plan objectives along with the Strategic Risk Register and the Departmental Risk Registers. The results are reported to the Policy and Practice Committee and to the Board. PBNI's Sponsoring Directorate within the Department of Justice (DoJ) also receives a progress report each quarter. The performance against the 2023 - 2024 Business Plan Outcomes is set out in the table below:

STRATEGIC PRIORITY 1: WE WILL DEVELOP, SUPPORT, AND EMPOWER OUR STAFF TO IMPROVE SERVICE DELIVERY		
BUSINESS PLAN KEY OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p><b>Outcome 1: Our people are supported through a positive and inclusive working environment to deliver an effective and stable probation service.</b></p> <p>Indicators:</p> <p>Our people feel valued, fairly remunerated, and supported.</p> <p>Our people are highly engaged, resilient and equipped to carry out their role and develop their careers with PBNI.</p>	<ul style="list-style-type: none"> <li>• A new pay and grading structure across PBNI was developed and the Business case approved by Sponsor Branch, with final approval required from Department of Finance received in April 2024.</li> <li>• The hybrid working procedures were approved by Board and are now in use.</li> <li>• We designed and implemented a programme of employee engagement to understand staff experiences and views. This included a survey of all staff, a range of engagement events and the formation of a staff engagement group lead by the Chief Executive to implement the action plan which was developed following the survey.</li> <li>• PBNI now have an established workload measurement tool, that both measures current workload as well as setting establishment figures for Probation Officers in each team.</li> <li>• A training plan was developed and actioned to meet budget and provide learning and development opportunities to all staff.</li> <li>• We have worked throughout the year with Trauma Informed Oregon and the Implementation Lab at Portland State University's (PSU) Regional Research Institute for Human Services, to develop our approach to becoming a trauma informed organisation in partnership with SBNI.</li> </ul>	<p><b>RED</b></p>

STRATEGIC PRIORITY 2: WE WILL DELIVER AN EFFECTIVE, QUALITY STATUTORY PROBATION SERVICE TO REDUCE REOFFENDING AND PROTECT THE PUBLIC			
BUSINESS PLAN OUTCOME	QUARTER 4 FINAL	RAG STATUS	
<p><b>Outcome 2: We have a safer community through the delivery of an effective probation service.</b></p> <p>Indicators: Delivery of effective interventions and programmes for high-risk service users.</p> <p>Reoffending rates which evidence an effective probation service.</p> <p>Levels of confidence and satisfaction with overall probation service.</p>	<ul style="list-style-type: none"> <li>• A scoping exercise was carried out on Standards and PBNI issued Revised Practice Standards and Revised Agreed Standards Deviations to staff in January 2024.</li> <li>• PBNI conducted a Review of current high-risk programme provision and psychology services, to inform future service delivery.</li> <li>• The re-structured Psychology team is in place and actions from the review including the psychology prioritisation framework and caseload protocol have been implemented. The delivery of a number of programmes and intensity of supervision have been adapted.</li> <li>• The results of a survey of service users (including registered victims) have successfully provided a baseline to evidence progress while in contact with PBNI and an action plan has been developed.</li> <li>• A sentencer satisfaction survey was carried out with the judiciary and the action plan in relation to the findings will be implemented in 2024-25.</li> <li>• Over 400 short adjournment reports (SARs) were written in agreement with the Courts in 2023-24.</li> </ul>	AMBER	GREEN

STRATEGIC PRIORITY 3: WE WILL PRIORITISE OUR BUDGET AND ESTATE TO MAXIMISE SERVICE DELIVERY			
BUSINESS PLAN OUTCOME	QUARTER 4 FINAL	RAG STATUS	
<p><b>Outcome 3: The Probation Service is sustainable, adaptable, and prepared for future challenges.</b></p> <p>Indicators: PBNI has a consolidated estate which is appropriate, meets the needs of service delivery.</p> <p>PBNI utilises its resources to deliver services effectively and efficiently.</p>	<ul style="list-style-type: none"> <li>• PBNI estate strategy has been completed and approved by Board, setting out the key objectives and areas of work to be completed. The work in relation to Belfast review is ongoing with engagement with LPS and further work on options to take place.</li> <li>• New Capital plans have been prepared for the next 10 years to set out PBNI ambition on asset renewal and upgrade.</li> <li>• Sustainability works for 2023-24 complete with transfer of Ormeau Rd property from Oil to Gas and staff transfer to HQ to allow work on closure of Alderwood House. Further work is required in 2024-25 on a sustainability plan following PBNI inclusion as a designated body in the new The Climate Change (Reporting Bodies) Regulations (Northern Ireland) 2024.</li> <li>• Initial staffing headcount and funding priorities agreed for 2024-25 pending confirmation of opening budget allocation. Medium term plan still to be developed following confirmation of programme for government priorities, to allow alignment with corporate plan objectives.</li> </ul>	AMBER	GREEN

**STRATEGIC PRIORITY 4: WE WILL DEVELOP OUR CURRENT PARTNERSHIPS AND CREATE NEW PARTNERSHIPS TO HELP MAKE COMMUNITIES SAFER**

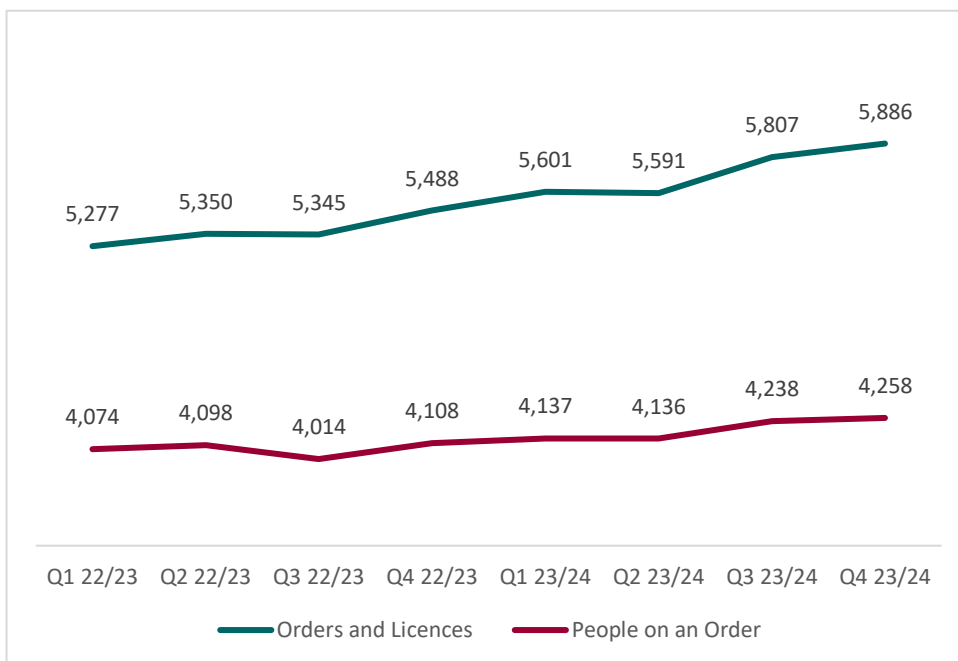
BUSINESS PLAN OUTCOME	QUARTER 4 FINAL	RAG STATUS
<p><b>Outcome 4: We have developed partnerships to help make communities safer.</b></p> <p>Indicators: Probation has partnerships in place to reduce reoffending and protect the public.</p> <p>Communities and partners are aware of the work carried out by PBNI.</p>	<ul style="list-style-type: none"> <li>• We held five local engagement events in local offices to engage and explain the work of PBNI to over 100 stakeholders. There have also been a number of direct engagements with MLAs and local councillors during the business year. Following restoration of the Assembly and the Executive we briefed the Justice Committee and invited members to attend local offices. We have also briefed the Justice Minister and invited her to local engagement events.</li> <li>• Social media engagement has increased - the number of PBNI followers on all platforms (Twitter/X, Facebook, Instagram and Youtube) is up 8%.</li> <li>• PBNI media opportunities with partners resulted in local broadcast coverage (BBC, UTV radio), online, and in local press including the Press Association, the Irish News, Belfast Telegraph, and News Letter.</li> <li>• A short film was produced during March 2024 explaining the work of probation and the benefit of community sentencing. It will be showcased early in 2024-25.</li> </ul>	<p align="center"><b>GREEN</b></p>

## Work Undertaken during 2023-24

### Caseload

On 31 March 2023, PBNi were managing 4,258 Service users on a combined total of 5,886 orders, licences, and sentences. There is a continuing upward trend throughout 2023-24 for both people and orders, though a sharper increase can be seen in the number of orders on caseload.

### Point in time orders and people on caseload



While there has been an upward trend in People and Orders on Caseload since 2022, there are fluctuations when order / licence types are looked at individually.

The most common order is now Determinate Custodial Sentences, which on 31st March 2024 accounted for 35% of orders on caseload and saw an increase of 15% when compared to the same date in 2023, the largest increase of any order type. Probation orders are the next most common order and accounted for 31% of all orders at the end of 2023-24.

Combinations orders also saw an increase in the past year. They are up 15% from the same date last year and have now returned to the pre-pandemic levels seen in 2020.

Community Service Orders saw an increase in the year, reversing the previous downward trend with an increase of 28% when compared to the same date in 2023.

### Point in time Type of Order/Licence

		31 March			
		2024	2023	2022	2021
Order	Combination	560	505	438	403
	Community Service	513	401	408	449
	Custody Probation	66	69	65	42
	Juvenile Justice Centre	22	6	3	6
	Probation	1,826	1,894	1,765	1,471
	ECO	194	233	211	203
	Others	1	0	2	1
Licence/Sentence	DCS	2,053	1,786	1,496	1,288
	Life	251	232	232	235
	Sex Offender	77	73	68	71
	GB	20	24	32	43
Public Protection	Extended Custodial	237	200	187	167
	Indeterminate Custodial	59	57	53	55
Non Statutory	Remand/Sentence	0	0	1	1
	Other	7	8	9	-
<b>Point in Time Orders and Licences</b>		<b>5,886</b>	<b>5,488</b>	<b>5,488</b>	<b>4,970</b>
<b>Point in Time People on Orders and Licences</b>		<b>4,258</b>	<b>4,108</b>	<b>4,108</b>	<b>3,947</b>
Others includes Supervised Activity Order, Supervision and Treatment Order, Youth Conference Order					

### Demographics

The breakdown of caseload by gender remained consistent this year, with 89% of caseload being male and 11% female on 31 March 2024.

	31 March 2022-23	Profile of Caseload	31 March 2023-24	Profile of Caseload
Female	460	11.2%	464	10.9%
Male	3648	88.8%	3794	89.1%
Under 20	86	2.1%	68	1.6%
20-29	1147	27.9%	1151	27.0%
30-39	1421	34.6%	1518	35.7%
40-49	767	18.7%	801	18.8%
50-59	438	10.7%	465	10.9%
60 and over	249	6.1%	255	6.0%
<b>Total People</b>	<b>4108</b>		<b>4258</b>	

The most common age group for people on caseload was 30-39, with 35.7% of people belonging to this demographic. Under 20s remained the smallest age demographic,



representing 1.6% of people on caseload in Q4 23/24, followed by the 60 and over age group which represented 6.0%.

## Report Writing

In 2023-24, the Probation Board provided 6,421 reports to assist decision making in the criminal justice process, of which 3,040 were Magistrates' Court Reports to assist judges' decisions regarding the types of sentences to give at criminal courts. A total of 1,154 Pre-Sentence Reports and 706 addendum reports were also provided. An additional 1,732 letters were prepared and sent to court.

The following table provides a summary of the types of reports completed by the Probation Board over the past four years.

### Number of Reports Completed by type from 2020-21-to 2023-24

Type of Report	2023/24	2022/23	2021/22	2020/21
Addendum Report	706	819	791	260
Breach Report	656	807	722	275
Crown Court Report (CCR)/Pre Sentence Report (PSR)	1,154	1,266	1,523	399
Magistrates' Court Report (MCR)	3,040	3,615	3,706	1,607
Short Adjournment Report (SAR)*	438	88	-	-
Other Reports**	328	373	344	172
Letter to Court	1,732	2,338	2,167	719
Missing Report Type	99	133	10	1,516
<b>Total Reports (including letters)</b>	<b>8,153</b>	<b>9,439</b>	<b>9,263</b>	<b>4,948</b>
<b>Total Reports (excluding letters)</b>	<b>6,421</b>	<b>7,101</b>	<b>7,096</b>	<b>4,229</b>

\* Short Adjournment Reports (SARs) were not introduced until 2023

\*\* Other Reports include Probation Officers Report, Recall Report, Substance Misuse Court (SMC) Progress Report, SMC Suitability Report, SMC Assessment & Intervention Report, Revocation and Home Circumstance Report

## PBNI Victim Information Scheme

At the end of March there were a total of 483 victims registered, with 59 having registered in Q4 23/24. 70.2% (339) of registered victims were female and 29.8% (144) male.

## Financial Review

The financial results for the PBNI are set out on page 86 in the Statement of Comprehensive Net Expenditure. The deficit for the year transferred to General Fund was £23,229k (2022-23: £27,769k).

## Net Expenditure Review

The net expenditure of Probation Board for 2023-24 is compared to the previous two financial years in the following table:

### Net Expenditure Summary

	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total operating income	<u>(1,609)</u>	<u>(1,988)</u>	<u>(2,013)</u>
Staff costs	18,609	22,088	21,307
Purchase of goods and services	3,559	3,998	4,197
Depreciation and Impairment charges	1,090	982	528
Provision expense	-	100	-
Grants	1,610	1,897	2,028
Total operating expenditure	<u>24,868</u>	<u>29,065</u>	<u>28,060</u>
Net operating expenditure	<u>23,259</u>	<u>27,077</u>	<u>26,047</u>
Finance income	(2)	(2)	(3)
Provision Finance expense	(28)	694	826
Net expenditure for the year before taxation	<u>23,229</u>	<u>27,769</u>	<u>26,870</u>

The Statement of Comprehensive Net Expenditure shows net expenditure before taxation of £23,229k (2022-23: £27,769k), which represents a decrease of £4,540k. This is mainly due to a significant reduction in the pension provision, which is part of the Staff Costs figure above.

The overall Comprehensive Net Expenditure for the year is £22,803k (2022-23: net surplus £2,419k), which represents a movement of £25,222k compared to the previous year. This is

largely due to a significant reduction in the actuarial gain on pension provision of £144k, compared to an actuarial gain of £30,136k in 2022-23.

### Summary of Actual Expenditure against Budget

For 2023-24, PBNI had a net Department Expenditure Limit (DEL) operating cost of £23,092k which is £450k less than the net budget allocation of £23,542k. The net capital expenditure of £462k is £101k lower than the net budget allocation of £563k. A comparison of net DEL operating costs against budget is summarised in the following table:

**Table One: Summary of Actual Expenditure against Budget**

	<b>2023-24 actual*</b>	<b>2023-24 budget*</b>	<b>Variance</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Net Operating Costs* (excluding depreciation)	22,002	22,351	349	1.56
Depreciation	1,090	1,191	101	8.48
<b>Net Operating Costs*</b>	<b>23,092</b>	<b>23,542</b>	<b>450</b>	<b>1.91</b>
Net Capital Expenditure	462	563	101	17.94
<b>Overall Total Expenditure</b>	<b>23,554</b>	<b>24,105</b>	<b>551</b>	<b>2.29</b>

\*Excludes Annual Managed Expenditure (AME) costs.

A reconciliation of net expenditure from the Statement of Comprehensive Net Expenditure to DEL operating costs is set out in the table below.

**Table Two: Reconciliation of Net expenditure from Statement of Comprehensive Net Expenditure to DEL Net Operating Costs**

	<b>£'000</b>
<b>Net Expenditure before taxation, from Statement of Comprehensive Net Expenditure</b>	<b>23,229</b>
Exclude current service cost (AME cost)	(2,357)
Include cash payment of provision (DEL cost)	2,235
Exclude pension borrowing costs (AME cost)	44
Exclude administration costs (AME cost)	(59)
Exclude legal provision (AME cost)	-
<b>Net Operating Costs</b>	<b>23,092</b>

## Non-current Assets

The Probation Board's non-current asset expenditure movements are detailed in notes 5 and 6 to the financial statements. PBNI currently holds total non-current assets of £4,536k at 31 March 2024 (£4,881k 31 March 2023).

PBNI's net capital DEL expenditure in 2023-24 totalled £462k (2022-23: £508k).

## Financial Position

The Probation Board's Statement of Financial Position shows net liabilities of £3,086k (2022-23 £689k). The main reason for this difference of £2,397k is due to an increase in accruals of £2,308k, mainly driven by outstanding pay awards to staff.

The breakdown of movement on the Defined Benefit Obligation liability is shown in the table below:

**Table Three: Defined Benefit Obligation liability at 31 March 2024**

	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Opening Defined Benefit Obligation	<b>116,015</b>	<b>159,542</b>
Interest on the obligation	5,362	4,263
Service and Administration Costs	2,416	5,680
Contributions by members	749	785
Actuarial loss / (gain)	(4,451)	(50,098)
Estimated benefits paid	(4,705)	(4,157)
Closing Defined Benefit Obligation	<b>115,386</b>	<b>116,015</b>

The decrease in the pension liability, together with an increase in the value of pension scheme assets, has resulted in a year end net liability of £157k (2022-23: net liability of £164k). Details of all pension movements are contained in Note 10 to the accounts.

## Cash Flow

The Probation Board's net increase in cash and cash equivalents in the year is £223k (2022-23 increase of £190k).

## **Prompt Payment of Suppliers**

The Probation Board's policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier.

Monthly statistics are uploaded by the DoJ via Account NI. The prompt payment results for 2023-24 showed that 92.8% (94.6% for 2022-23) of invoices were paid within 10 working days following receipt of a properly rendered invoice and 97.5% (98.4% for 2022-23) of invoices were paid within 30 calendar days.

## **Corporate Social Responsibility**

PBNI is committed to behaving ethically, to contributing to the local community and to minimising our impact on the environment, while improving the wellbeing of our workforce.

PBNI policies are screened in relation to our Section 75 obligations; Data Protection and Human Rights Legislation.

PBNI work in partnership with many organisations in the Voluntary and Community Sector, for example, through the Community Services placements and supporting organisations by assisting their funding bids to the Asset Recovery Community Scheme (ARCS).

PBNI has a Wellbeing Working Group chaired by the Health and Safety Officer. The Wellbeing Working Group assisted in the development of the annual Wellbeing Programme for 2023-24 Wellbeing was promoted through the monthly Probation News and through wellbeing bulletins with lots of wellbeing information and resources provided to staff.

## **Anti-fraud and Bribery**

PBNI has an Anti-Fraud and Bribery Policy. PBNI is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any fraud within PBNI, to the rigorous investigation of any prima facie case, and - where fraud or other criminal acts are proven - to ensure that wrongdoers are dealt with appropriately. PBNI will take proportionate steps to recover any assets lost as a result of fraud,

corruption or theft. PBNI has a zero-tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

PBNI has a Whistleblowing policy in place, designed to provide employment protection for individuals raising genuine public interest concerns. The policy provides information for staff on how to raise concerns about malpractice safely, builds confidence and promotes an environment of openness and transparency.

## Sustainable Development



The Climate Change (Reporting Bodies) Regulations 2024 will be laid in the Assembly shortly by DAERA. The Regulations will come into operation in early May 2024. These Regulations will place new climate change reporting duties on PBNI. The first mitigation report will be required to be submitted to DAERA by October 2025. The first adaptation report will be due in March 2026. Mitigation reports will then be required on a 3-yearly cycle, and the adaptation reports will be required on a 5-yearly cycle. While the format of reporting has not been set it will likely require more resources to manage this process.

PBNI will continue to develop a carbon policy, a system to measure our carbon footprint and the implementation of business improvements.

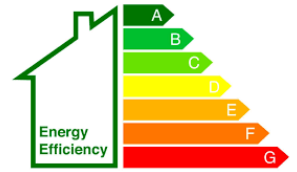
We have commenced the consolidation of the Estate by proceeding with phase 1 of the Belfast office review. We have vacated 2 smaller Belfast offices in Waring Street and Alderwood House, relocating staff into Headquarters. We are assessing the options to further consolidate the office accommodation for a Belfast Headquarters including applying agile working occupation factors and layouts to facilitate new ways of working.



### Metrics

We will continue to gather metrics for biannual returns to the Department of Justice and will now include our water usage. This data will be used as a basis to track our carbon reductions.

We have incorporated environmental and climate considerations setting a minimum EPC standard for premises in new business cases. Of PBNI's 19 premises, 4 are still to have EPCs provided by landlords. This process is targeted to be completed by 'May 24.



### **Carbon Reductions**

We have begun to implement improvements in our estate to reduce carbon emissions to mitigate climate change.

We have completed the replacement of the oil fired boiler to a gas boiler in the Ormeau Road office. We will have reached our target of having no oil fired heating systems in our freehold properties once the disposal of Alderwood house is complete (targeted Autumn 24).

Our Armagh office is our lowest EPC rated building (G rating) primarily because of its listed status. We have agreed some works to upgrade thermal elements which are targeted for completion in the summer of 2024.



### **Waste Management**

We are continuing to capture our levels of general waste and have identified our levels of paper consumption. We are looking at opportunities to reduce paper consumption across PBNI's estate, with an appropriate target established.

While PBNI use very small amounts of single use plastic we have encouraged staff to adopt a plastic free Friday initiative.

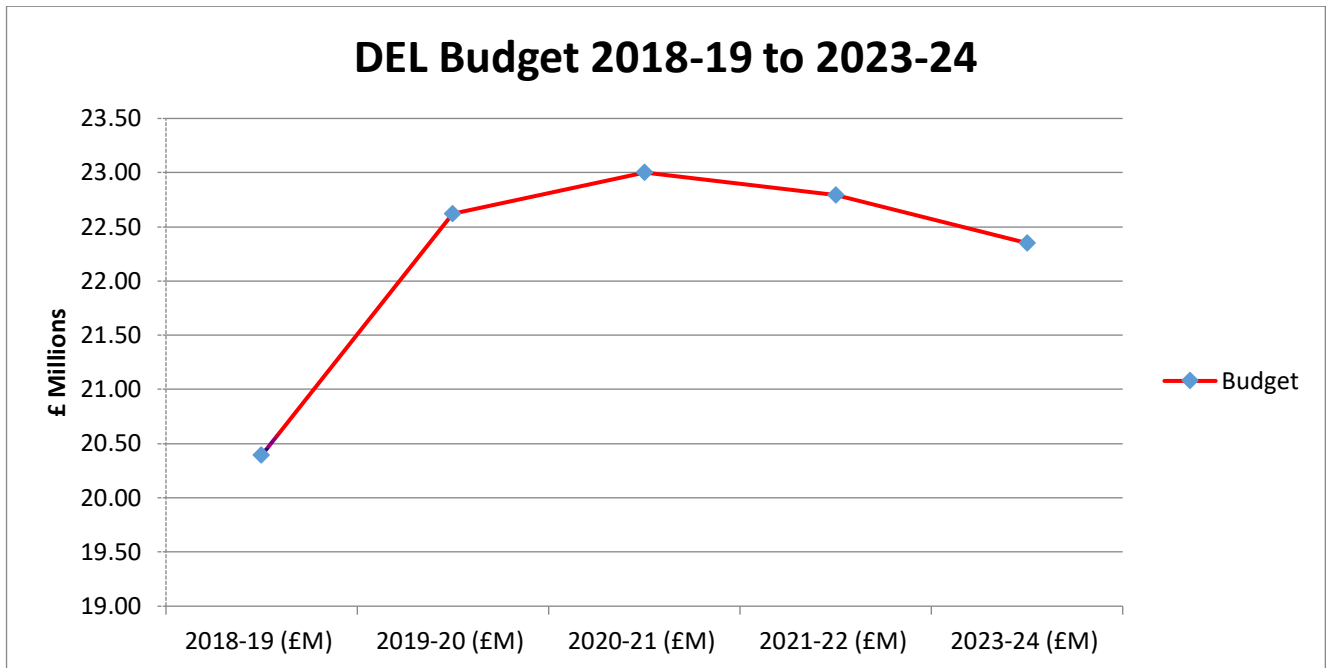
### **Transport**

PBNI have a small fleet of 2 vans and a minibus. With the closure of Alderwood House the requirement for the minibus has been removed. The minibus is now being disposed of.

We are collating carpark usage data (completion of this task has been delayed due to staffing issues from one of the providers). We will then carry out a review of staff car park provision.

## Long-term Expenditure Trends

The chart below captures the long-term summary budget profile of the PBNI budget over the financial years 2018-19 to 2023-24.

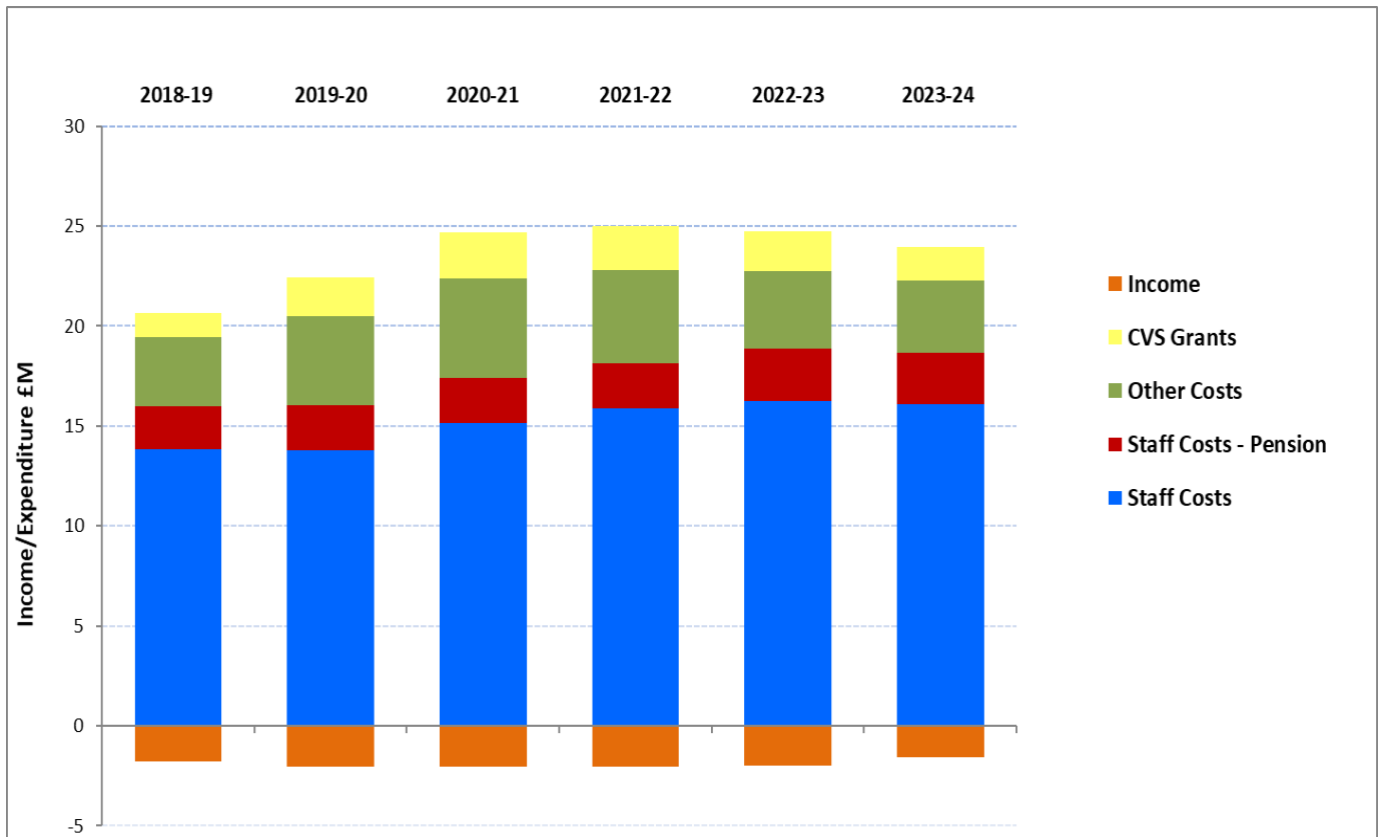


The chart above shows the final allocated budgets for 2018-19 to 2023-24. PBNI's opening resource budget (excluding depreciation) for 2023-24 was £20,341k. Additional funding of £2,010k was granted in year to meet pressures, including those attributable to the Aspire and Engage programmes and CVS grants. The final resource budget (excluding depreciation) was £22,351k.

The following chart shows the final PBNI resource budgets for 2018-19 to 2023-24, split by the major expense headings and income.



## PBNI Resource Budgets from 2018-19 to 2023-24



*Amanda Stewart*

**Amanda Stewart OBE**

**Chief Executive**

**25 June 2024**



# **THE ACCOUNTABILITY REPORT**

## **THE ACCOUNTABILITY REPORT**

### **Overview**

The Accountability section of the Annual Report outlines how the Probation Board meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

### **Corporate Governance Report**

The purpose of this section is to explain the composition and organisation of the Probation Board's governance structures and how they support the achievement of its objectives.

The corporate governance report includes:

- Chief Executive's Report;
- Statement of Accounting Officer's responsibilities; and
- Governance Statement.

### **Remuneration and Staff Report**

This section sets out the Probation Board's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements. In addition, the report provides information relating to remuneration levels for senior executives and staffing information that the Assembly and other users see as key to accountability.

### **Assembly Accountability and Audit Report**

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Regularity of expenditure;
- Assembly accountability disclosures; and
- Certificate and Report of the Comptroller and Auditor General to the Assembly.

## Corporate Governance Report

### Chief Executive's Report

#### The Senior Executives

The Chief Executive is responsible for the day to day operation and performance of PBNI with the support of Directors and Heads of Department.

The PBNI Senior Executives who served during the year are as follows:

Ms A Stewart OBE	Chief Executive
Ms G Montgomery	Director of Operations (Community & Courts)
Mr S Hamilton	Director of Operations (Prisons, Programmes & Public Protection)
Mrs C Sweeney	Head of Human Resources & Organisational Development
Mr P King	Head of Finance & Estates
Mrs G McGreevy	Head of Communications

The Chief Executive is supported by the wider senior leadership team who meet monthly to address standing agenda items such as financial resourcing, operational management, health and safety and other emerging issues. The leadership team is supported by three operational sub committees- Operations; People, Culture & Resources; and Estates and IT.

The PBNI is governed by the Board. The Board Members are appointed on a fixed term of three years with the possibility of reappointment for a further period of three years. These appointments are made by the Minister of Justice in line with the Code of Practice issued by the Commissioner for Public Appointments.

#### The Board

Under The Probation Board (Northern Ireland) Order 1982, the Board shall consist of a Chair, a Deputy Chair and not less than 10 or more than 18 other members. Membership at 31 March 2024 stood at 11 (Chair and 10 other members).

Details of Board Members during 2023-24 are as follows:

The 13<sup>th</sup> Board Term of Office (from 1 March 2022):

Mr P Barnes MBE OLY	Member
Mr N Bodger*	Member
Ms M Brunt	Member
Dr J Byrne*	Member
Mr K Donaghy	Member
Mr B Ingram OBE	Member
Mr J Johnston CBE	Member
Dr M Keady*	Member
Ms A Lloyd-Stevens	Member
Ms C Magee	Member
Ms B Mongan OBE	Member
Mr M Murray CBE	Board Chair
Ms E Patterson	Deputy Board Chair
Mrs L Crothers**	Boardroom Apprentice

\*Dr M Keady resigned as a member of the Probation Board NI in May 2023.

\*Dr J Byrne resigned as a member of the Probation Board on 31 March 2024.

\*Mr N Bodger passed away in April 2024.

\*\*Mrs Crothers is a participant on the Boardroom Apprentice Scheme. Mrs Crothers was assigned to the Probation Board in September 2022 for a period of one year. These members do not have any decision-making role on the Board or its Committees.

## **The Board's Audit and Risk Assurance Committee**

The members of the current Audit and Risk Assurance Committee during 2023-24 are as follows:

Mr B Ingram	Chair
Ms E Patterson	Member
Dr M Keady	Member (until May 2023)
Mrs M Brunt	Member

Other attendees of the meetings included representatives from Internal Audit, External Audit and the Department of Justice as well as the Chief Executive of Probation, the Directors of Operations, the Head of Finance and the Board Secretary.

## **Registers of Interests**

In accordance with the Probation Board's Code of Practice for Members, a Register of Members' Interests and a Register of Senior Management Interests are maintained for Board Members and Senior Management respectively. The Registers are available for inspection on the Probation Board's website and they are reviewed regularly. Note 16 to the Accounts provide details of any relevant related party transactions.

## **Complaints**

As a public service, the Probation Board seeks to undertake its role and responsibilities in an open and transparent manner. Should there be occasions when someone wishes to express their dissatisfaction with the way the organisation has dealt with a particular matter, the PBNI Complaints Policy and supporting procedures can be used.

If a complainant remains dissatisfied at the end of the internal Complaints Procedure, they may refer the matter to the Northern Ireland Ombudsman for independent consideration. Complaints received were primarily in respect of issues pertaining to the supervision and requirements of court orders, disputes about the contents of written reports and assessments, staff attitude and poor communication. The majority of complaints were from serving prisoners.

During 2023-24, the Probation Board received 46 complaints, (2022-23: 26 Complaints), which represents an increase of 20 from the previous year. All complaints received were initially dealt

with through stage 1 of the complaints process, with the majority of complaints being resolved at this stage.

Four complaints proceeded through to stage 2 of the complaint process.

An audit of PBNI's complaints process was carried out by DOJ in 23-24. PBNI received a green rating with no recommendations being made in the audit. Area Managers and Assistant Directors received investigation training in April 2023 and an updated Complaints policy and procedures were approved and issued in June 2023.

### **Personal Data Related Incidents 23-24**

The Probation Board continues to monitor and assess its information risks, in order to identify and address any weaknesses and ensure continuous improvement of its systems. Security of data and incident management is a critical activity for the Board. The Head of Communications reports on a monthly basis to Board about any data incidents. There were 28 localised data incidents in the reporting period, which were thoroughly investigated. This was an increase from 21 in the previous year. None required reporting to the Information Commissioner's Office or DOJ. Memoranda relating to the learning from the localised incidents were issued to all staff in respect of information assurance throughout the 2023-24 year.

In June 2023 a new Records policy and procedures were approved and issued. A range of training and guidance on data protection and records management has taken place including:

- New mandatory data protection training developed for all staff and Board members.
- Guidance on preventative measures to mitigate data incidents issued to all staff.
- Guidance on transporting paper documents issued to all staff.
- Guidance on PBNI information held on non-corporate channels issued to all staff.
- Throughout 2023-24 new PBNI staff and students received training on Data Protection and compliance.
- Throughout 2023-24 Compliance staff attended team meetings giving input on data protection and compliance.

The Senior Information Risk Owner is the Chief Executive, Amanda Stewart OBE, who is responsible for providing the focus for the management of information risk. The SIRO is responsible for providing assurance that information risk is being managed appropriately and effectively across the organisation. Assistant Directors and Heads of Department across the organisation are Information Asset Owners who understand the information held across each of their business areas. PBNI holds an Information Asset Register and Information Asset Owners are regularly trained and responsible for updating the register. A training and awareness session on the role and responsibilities of information asset owners was held with the senior leadership team in February 2024.

In 2023-24 there were 103 subject access requests and FOIs responded to by PBNI. This is an increase from 52 in the previous year. In September 2023 PBNI Subject Access Request process was updated and communicated to all staff.

In 2023-24 PBNI completed 28 Data Protection Impact Assessments and developed 51 data sharing agreements to enable the effective and secure sharing of information.

During 2023-24 DOJ Chief Information Officer carried out Data Protection Health Checks in two areas of PBNI – Human Resources and Risk. Compliance will continue to carry out further health checks throughout PBNI.



## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, the Board has directed PBNI to prepare for each financial year a statement of accounts in the form and on the basis determined by the Department of Justice with the approval of the Department of Finance. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of PBNI and of its income and expenditure, Statement of Financial Position 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 Department of Finance 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 financial statements;
- prepare the financial statements on the going concern basis; and
- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the DoJ has appointed the Chief Executive as the Accounting Officer for the PBNI. The responsibilities of an Accounting Officer, including 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 Probation Board for Northern Ireland's assets are set out in Managing Public Money Northern Ireland.

As the Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that PBNI's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## GOVERNANCE STATEMENT

### Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control to support the achievement of the Probation Board's policies, aims and objectives as set out in our Corporate Plan and associated annual Business Plans, whilst safeguarding the public funds and assets for which I am directly responsible. This is carried out in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The Probation Board is a Non-Departmental Public Body sponsored by the Department of Justice; its statutory responsibilities are set out in the Probation Board (NI) Order 1982.

More recent legislation outlining Board responsibilities include the Criminal Justice (Northern Ireland) Orders 1996, 2005 and 2008, while the requirements of PBNI as a designated organisation of Policing and Community Safety Partnerships are contained in the Justice Act (Northern Ireland) 2011.

The Probation Board plays an important role at each of the key stages of the criminal justice process at court, in custody, in the community and with victims of crime. As an integral, effective part of the Criminal Justice System, the Probation Board helps to reduce levels of offending, prevent further victims of crime and also contributes to increasing community confidence in the Northern Ireland Criminal Justice System.

The work of PBNI is often complex, but can be summarised under five core elements:

- Ensuring sentence compliance
- Rehabilitation - challenging offending behaviours
- Reducing reoffending – by minimising harm
- Resettlement through promoting responsible citizenship
- Providing support to people who have offended: all Probation Officers are professionally qualified social workers.

In addition to its core responsibilities, PBNI continued to deliver Enhanced Combination Orders; Young Men's Project - Aspire and a bespoke project for women – Engage, Substance Mis-Use Court and Domestic Violence Non-adjudicated programme. All the work conducted by PBNI seeks to reduce offending and make communities safer.

## **Purpose of the Governance Framework**

The Probation Board's governance framework sets out the arrangements for how the organisation is directed and controlled (incorporating behaviours, values, systems and processes) and how its responsibilities are discharged. It enables the setting of corporate objectives, the efficient deployment of resources towards the delivery of these priorities and monitoring of organisational performance. This governance framework is designed to manage risk to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives; therefore, it can only provide reasonable not absolute assurance of effectiveness.

## **The Governance Framework**

### **(i) Sponsorship Arrangements**

Within the Department of Justice, the Safer Communities Directorate is the Sponsoring Branch for PBNI. The Branch, in consultation as necessary with the Departmental Accounting Officer, is the primary source of advice and point of contact for PBNI. The Sponsoring Branch monitors PBNI's activities on a continuing basis through an adequate and timely flow of information from PBNI on performance, budgeting, control and risk management. The Sponsor Branch in turn keeps PBNI informed of relevant Executive/Government policy, advising on interpretation and issuing specific guidance as necessary.

Twice a year, departmental officials meet with PBNI CEO and Head of Finance & Estates to review performance. The Board Chair directly reports to the Minister of Justice (or the Permanent Secretary if no Minister in place) on PBNI performance on an annual basis.

A Management Statement and Financial Memorandum (MSFM) document is in place between the Probation Board and Department of Justice. This document was reviewed and updated in

2018. The Management Statement sets out the broad framework within which PBNI will operate, in particular:

- PBNI's overall purpose, objectives and targets in support of the DoJ's wider strategic aim(s) and the outcomes and targets contained in its current Public Service Agreement;
- The rules and guidelines relevant to the exercise of PBNI's functions, duties and powers;
- The conditions under which any public funds are paid to PBNI; and
- How PBNI is to be held to account for its performance.

The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which PBNI shall observe. Work has begun on the transition to a new Partnership Agreement between the Probation Board and DoJ to replace MSFM, and it is hoped this will be completed early in 2024-25.

#### (ii) The Board

The Probation Board for Northern Ireland is governed by Board Members. The Board Members are appointed on a fixed term of three years with the possibility of reappointment for a further period of three years. These appointments are usually made by the Minister of Justice in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility for leading and providing the strategic direction for the organisation including, developing the Corporate and Business Plans, taking account of government policies, aims and objectives; monitoring the organisation in the effective and efficient performance of its statutory duties, and ensuring PBNI complies with statutory requirements for the use of public monies.

In terms of governance oversight, the Board has a specific responsibility, outlined in the Management Statement, to:

*'...ensure that any statutory or administrative requirements for the use of public funds are complied with; that PBNI operates within the limits of its statutory authority and any delegated*

*authority agreed with the DoJ, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, PBNI takes into account all relevant guidance issued by Department of Finance (DoF) and DoJ.'*

The Management Statement requires all Board members to:

- comply at all times with the Code of Practice & Conduct;
- not misuse information gained in the course of their public service for personal gain or political profit; and to declare publicly and to the Board any private interests that may be perceived to conflict with their public duties;
- comply with PBNI rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of PBNI.

With regard to possible conflicts of interest, Board Members annually complete a Register of Interests as set out on page 43. At the preliminary stages of each Board and Committee meeting, Members are also asked whether they have any conflicts of interest to declare, and this is recorded in the minutes.

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 spend a minimum of 2 days per month on PBNI matters. Members are required to perform a representative role on behalf of the Board at meetings and events and attend PBNI meetings and meetings of those committees to which they have been allocated.

The Board meets on a monthly basis to discuss and oversee matters of strategic significance, as set out in the Standing Orders and MSFM. Each meeting was quorate and the table on page 53 provides details of the number of meetings attended by respective Board members in the course of the year.

There are three committees of the Board; the Audit and Risk Assurance Committee, the Corporate Resources Committee and the Policy and Practice Committee. The Board's Standing Orders also provide for a Remuneration Committee and an Emergency Committee. Meetings of each are convened as required.

#### (iii) Audit and Risk Assurance Committee

In accordance with the Management Statement, PBNI has established an Audit and Risk Assurance Committee independent of the organisation's structure. The Department of Justice and representatives from both PBNI Internal and External Auditors attend the Committee's meetings. The responsibilities of the Audit and Risk Assurance Committee include:

- Advising the Board and Accounting Officer on the effectiveness of the risk management, control and governance arrangements;
- Review of the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation;
- Review of the Annual Report and Statutory Accounts including the Governance Statement before submission to the Board;
- Review of the planned activity and reports from the Internal and External auditors;
- Review of the adequacy of the policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements as issued by the sponsoring department and Government departments; and
- Monitoring of the implementation of agreed audit-based recommendations.

#### (iv) Corporate Resources Committee

The purpose of the Committee is to provide assurance that the appropriate arrangements in respect of Financial Management, Human Resources, Estates Management and Information Technology are in place for the delivery of the Board's strategic objectives, as set out in the Corporate Plan 2023-26. The Committee sat four times during the year.

(v) Policy and Practice Committee.

The purpose of the Committee is to provide assurance that PBNI has the appropriate policies in place, aligned with best practice exercised by the professional staff, to meet the strategic priorities, as set out in the Corporate Plan 2023-26. The Committee sat four times during the year.

(vi) Remuneration Committee

Met on two occasions during the 2023- 2024 year.

The Remuneration Committee consisting of the Board Chair, Board Deputy Chair and the Chairs of the Corporate Resources, Policy and Practice and Audit and Risk Assurance Committees and other members as the Board may appoint. The role of the Remuneration Committee is to assist in assessing the performance of the Chief Executive and to deal with any performance pay issues at Director level and some other HR issues.

Membership of the Remuneration Committee 2023-24 was as follows:

<b>Name</b>	<b>Surname</b>
Max	Murray
Eileen	Patterson
Jackie	Johnston
Jonny	Byrne
Brian	Ingram

(vii) Emergency Committee

The Board's Emergency Committee was not required during the year.

(viii) Special Board Meeting

There was one special board meeting held on 6 October 2023.

The attendance of Board Members at the Board and PBNI Committee meetings during the reporting period is provided in the table below.

Board Member		Board Attendance	Audit & Risk Assurance Attendance	Corporate Resources Attendance	Policy and Practice Attendance
Mr P	Barnes	N/A			N/A
Mr N	Bodger *	6/12		2/4	
Ms M	Brunt	12/12	5/5		
Dr J	Byrne**	11/12			4/4
Mr K	Donaghy	10/12		3/4	
Mr B	Ingram	11/12	5/5		
Mr J	Johnston	11/12		4/4	
Mr M	Keady***	1/12*	1/5*		
Ms A	Lloyd-Stevens	11/12		3/4	
Ms C	Magee	10/12			4/4
Ms B	Mongan	11/12			4/4
Mr M	Murray	12/12			
Ms E	Patterson	10/12	4/5		
Ms L	Crothers				

\*Mr Bodger passed away in April 2024.

\*\*Dr Byrne resigned from the Board 31 March 2024.

\*\*\*Mr Keady resigned from the Board 18 May 2023.

PBNI participates in the Boardroom Apprentice Scheme. During the 2023-24, Mrs Crothers participated on the scheme and was assigned to the Probation Board in September 2022 for a period of one year. Mrs Crothers did not have any decision-making role on the Board or its Committees.

(ix) The Accounting Officer

As the Chief Executive of PBNI, I am designated as PBNI's Accounting Officer by the departmental Accounting Officer of the DoJ. As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of PBNI.



As Accounting Officer, my principal responsibilities are to ensure that the Probation Board and its Committees are fully supported in developing and promoting a programme of work consistent with its founding legislation; the Northern Ireland Executive's draft Programme for Government and the Northern Ireland Executive's Fresh Start Agreement Action Plan.

On a six-monthly basis, I, as Accounting Officer, provide stewardship statements to the Department of Justice Accounting Officer, based on receipt of appropriate assurance from the Directors and Heads of Departments.

(x) Internal Audit Arrangements

DoJ's Internal Audit provided the internal audit services within PBNI. The Audit & Risk Assurance Committee, on behalf of the Board, receives internal audit reports and approves management responses to recommendations arising from such reports.

There is a Service Level Agreement in place between DoJ Internal Audit and PBNI, which the heads of both organisations have signed. It sets out the terms of the internal audit service. Three reviews were carried out by internal audit during 2023-24 on; PBNI Travel & Subsistence, Complaints and Responsibility Allowances, with a further review of PBNI Recruitment and Selection Policy.

(xi) External Audit Arrangements

The Northern Ireland Audit Office (NIAO) is the Probation Board's external auditor. The NIAO does not provide any other non-audit services.

The NIAO have completed a value for money review into 'Reducing Adult Reoffending' during the 2024-25 year which PBNI contributed to.

(xii) Criminal Justice Inspection Northern Ireland (CJINI)

The range of statutory functions and performance of Probation Board is subject to independent inspection by Criminal Justice Inspection Northern Ireland. PBNI fully participates in both organisation specific and thematic reviews to transparently account for its performance.

## **Risk Management and Internal Control**

As Accounting Officer, I ensure that the Probation Board manages risk at all levels in the organisation. PBNI has Risk Management Procedures and Guidance in place which is available on PBNI's Intranet, making it readily available to all staff. This document outlines PBNI's approach to identifying and managing risks which threaten the achievement of the organisation's objectives. It also highlights the roles and responsibilities of the Board and staff in managing risks. PBNI's approach to risk management is governed by other formal documents such as the MSFM, as well as Dear Accounting Officer letters issued by the DoF.

The Strategic Risk Register was reviewed and updated by senior management on a quarterly basis. These updates were then considered by the Board's Audit and Risk Assurance Committee before being recommended to the Board of PBNI for final approval on a quarterly basis. Further details on the risks are set out on page 16.

PBNI Senior Leadership team review PBNI's Strategic Risk Register quarterly, consider escalation / de-escalation of risks between the departmental and strategic risk registers and conducts 'horizon scanning' for emerging risks.

## **Review of the Effectiveness of the Governance Framework**

### **(i) Provision of information and data to the Board**

Board Meeting agendas and papers are circulated a week in advance to provide sufficient time and evidence for sound decision-making. Agendas are planned, as set out in the Standing Orders, on the basis of an annual Board Work plan, to ensure that all areas of the Board's responsibilities are examined during the year. Monthly Board Meetings include consideration of the following standing agenda items:

- Chair's report, to include Chair's engagements;
- Chief Executive's report, to include engagements and key issues;
- Committee Reports (where applicable);
- Monthly Financial Outturn;

- Management Information, including workforce information, caseload statistics, sick absence and updates on IT and communications; and
- Policy Development and Reviews.

The quality of information issued to the Board is kept under review to ensure that the Board's discussions and decisions are effective. All documents for meetings are held and distributed electronically to members and service officials.

Audit and Risk Assurance Committee (ARAC) standing agenda items include:

- Review of the Strategic Risk Register;
- Review of Internal Audit Reports;
- Audit Control Log/Internal Audit/CJINI/NIAO Recommendations;
- CJINI Inspection Reports;
- DoF Circulars, Dear Accounting Officer (DAO) and Dear Finance Director (DFD) letters; and
- Fraud Update.

#### (ii) Board Effectiveness

A range of opportunities were developed for Board members during 2023-24. This included a briefing for members on Board equality responsibilities undertaken by the Equality Commission, specific governance training for Audit and Risk Assurance Committee Members and visits tailored to Members' specific interests. Members also continued to develop their knowledge, information and skills through meeting with Key Stakeholders, attendance at PBNI Local Engagement events and staff events, visits to all three prisons, two hostels and several office visits.

To tie in with the Corporate Plan 2023-26 the Board held two themed meetings linked to three of the four strategic areas in the Plan. The first meeting focused on 'Our People' and 'Our Services' and leaders from the 5 Nations of Probation were invited to provide an overview of probation within their jurisdiction focusing on key challenges and staffing issues facing each organisation and any innovative solutions that are being implemented. The second meeting on

‘Working in partnership across the Criminal Justice System’ was led by the Policy and Practice Committee and included presentations from the Presiding District Judge, Permanent Secretary in the Department of Justice, Deputy Chief Constable and Police officers from Public Protection Branch. The Corporate Resources Committee also led a review of sick absence which included hosting a workshop.

A skills audit was completed linked to governance requirements, as well as the elements of the new Corporate Plan to ensure that the Board has the requisite skills and experience to enable the members individually and the Board collectively to perform their roles. A matrix of development needs has been compiled and is being actioned.

The Board kept under review the effectiveness of the current governance arrangements and held an effectiveness workshop in January 2023 taking into consideration the NIAO’s ‘Board Effectiveness Review’ published in May 2022. This workshop was used to define the Board’s priorities to tie in with the draft Corporate Plan 2023-26. The Board agreed a new meeting structure to allow for themed meetings linked to the four strategic areas in the Corporate Plan. Duplication of work across the Committees and the Board was also identified and to address this a review of the Committee’s Terms of Reference and the Scheme of Delegation is ongoing. The Board’s role in relation to risk management is also being looked at.

#### (iii) Compliance with the Corporate Governance Code of Good Practice

In accordance with the Corporate Governance Code of Good Practice, a MSFM is in place between the Department of Justice and PBNI, which sets out the framework within which PBNI operates. The Board’s Code of Conduct and Practice for Members was updated in December 2022 in line with the Code of Conduct for Board Members of Public Bodies from the Department of Finance.

#### (iv) Ministerial Directions

There were no Ministerial Directions sought or issued during 2023-24.

#### (v) Highlights of the PBNI Board and Committee Reports

The standing agenda items for PBNI Board meetings have been listed above. In addition, the Board considered and approved the following items in 2023-24.

**Policies Approved in the 2023-2024 year.**

- Communications and Engagement Strategy
- Complaints Policy and Procedures
- Records Policy and Procedures
- Hybrid Working Policy and Procedures
- Programmes and Grants Funding Policy
- Estates Strategy
- Recruitment and Selection Policy and Procedure
- Voluntary Transfer and Mobility Policy and Procedure
- Pay on Appointment Policy and Procedure
- CVS Funding Strategy

**Quarterly / Annual Reports - Approved in the 2023 - 2024 year.**

- Annual Report and Accounts 2023-24
- Q1 provisional / Draft Strategic Risk Register 2023-24
- Q2 Strategic Risk Register 2023-24
- Q4 Business Plan 2022-23
- 2022-23 Year End Caseload
- Annual Equality Progress Report 2022-23
- Q1 Annual Business Plan
- Q3 Strategic Risk Register 2023-24
- Q2 Annual Business Plan 2023-24
- Q4 Strategic Risk Register 2023-24
- Q3 Annual Business Plan 2023-24
- Annual Business Plan 2024-25

### **Quarterly / Annual Reports - Noted in the 2023 - 2024 year.**

- Draft Board Submission to Annual Report and Accounts
- Report to those Charged with Governance
- End of Year Stewardship Statement
- Review of Internal Audit Plan 2023-24
- Charter for the Provision of Internal Audit Services
- Pensions Valuations and Assumptions
- Sick Absence End of Year Report 2022-23
- SFO Annual Report 2022-23
- Deaths Under Supervision Annual Report 2023-24
- Board Member Register of Interests
- Q1 & Q2 2023-24 Caseload Statistics

### **Items also approved by the Board**

- Allocated Budget 2023-24
- Revised Corporate Plan 2023-26
- Outcomes Framework and Annual Business Plan
- Estates Strategy
- Pay Modernisation Revised Business Case
- CRC Sick Absence Review TOR
- 2024-2028 CVS Funding Decisions
- Board Internal and External Messaging
- Data Protection Health Checks

## Presentations

- Senior Leaders from 5 Nations of Probation – Strategic priorities ‘Our People’ and ‘Our Services’ – Board Themed Meeting.
- Beverly Wall, Director General, NI Prison Service – Priorities and Challenges.
- Donal Collins, Equality Commission NI – Board Equality Responsibilities.
- Judge Keown, District Presiding Judge, D / Superintendent Jordan Piper, PSNI, Richard Pengelly, Permanent Secretary, DOJ and Chris Todd, Deputy Chief Constable – Partnership Working across the Criminal Justice System, Board themed meeting.

## (vi) Achievements

During the year 2023-24, PBNI received **satisfactory assurance** on two of the three scheduled internal audit reports. PBNI is working towards implementing all the recommendations from these reports.

## Significant Internal Control Issues

Effective governance arrangements and oversight are maintained to ensure appropriate and timely responses to such issues that arise.

## Internal Auditor Statement on Assurance

In their Annual Assurance Report, the Probation Board’s Internal Auditors reported that, on the basis of findings from work undertaken in 2023-24 and in previous years, the risk management, internal control and governance arrangements within PBNI are “satisfactory”. A Priority 1 recommendation was made in relation to the award of salary allowance for the Graffiti Removal Service as the justification provided fell short of meeting the necessary criteria for such an award. PBNI are working to address the recommendation in 2024-25.

## **Accounting Officer Statement on Assurance**

This Governance Statement has been reviewed and accepted by both the Audit and Risk Assurance Committee and the Board. I can provide satisfactory assurance on the effectiveness of the Probation Board's internal control environment. I confirm that an action plan to ensure continuous improvement to the systems is on-going. It is evidenced by the programme of work undertaken by the Audit and Risk Management Group, the Senior Leadership Team and the Audit and Risk Assurance Committee and this work will continue in 2024-25.



## REMUNERATION AND STAFF REPORT

### REMUNERATION REPORT

#### Remuneration Policy

##### Board Members

The Chairman and other members of the Board are appointed by the Minister of Justice, in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”. The DoJ determines the emoluments of the Chairman and Members.

##### Senior Executives

The Senior Executives of the Probation Board are employed by the Probation Board under terms and conditions of employment that are contained in collective agreements reached under the auspices of the Standing Committee for Probation Chief Officer Grades (England and Wales). The parties to the Standing Committee are the Probation Association, the National Probation Directorate, the General, Municipal, Boilermakers’ and Allied Trade Union Society of Chief Officers of Probation (GMB-SCOOP) and the National Association of Probation Officers (NAPO).

Implementation of any agreement within the Probation Board is subject to the approval of the DoJ, given with the consent of the DoF.

In reaching its recommendations, the parties to the Standing Committee have worked together to:

- Ensure that the pay system is fit for purpose and leads to higher quality service delivery;
- Develop a fair and transparent pay and conditions structure which has the confidence and support of employees, employers and trade unions;
- Assist the goal of building an excellent organisation with the right number of employees with the right skills and diversity, and organised in the right way;

- Encourage working patterns which enable employees to achieve an acceptable balance between work and their private life;
- Improve quality and availability of training and development opportunities to enhance service delivery and meet reasonable aspirations of employees;
- Meet equal pay for work of equal value criteria, recognising that pay can be any benefit in cash or conditions;
- Ensure implementation of new pay and conditions arrangements fairly and consistently across the service;
- Ensure that the implementation of new pay and conditions arrangements is within financial and other constraints; and
- Ensure as far as possible that staffing and other resources are commensurate with workload.

## **Service Contracts**

Appointments in the Probation Board are made in accordance with the Probation Board's Equal Opportunities Policy and with reference to the Equality Commission's Advice and Guidance. Unless otherwise stated, 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 relevant Probation Board policies.

## **Board Remuneration Committee**

The Board has established a Remuneration Committee consisting of the Board Chair, Deputy Chair, the Chairs of the Corporate Resources and Policy and Practice Committees and other members as the Board may appoint. The role of the Remuneration Committee is to assist in assessing the performance of the Chief Executive and to deal with any performance pay issues at Director level and some other HR issues.

## **Salary and Pension Entitlements**

The following sections provide details of the remuneration and pension interests of the most senior management of the Probation Board.

## Remuneration – Senior Executives

### [AUDITED INFORMATION]

Name & Post	Salary (£'000)		Bonus (£'000)	Payments	Benefits in Kind (to nearest £100)		Pension Benefits * (to nearest £1,000)		Total £'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Ms A Stewart OBE <i>Chief Executive</i>	85-90	85-90	-	-	100	200	30	27	115-120	115-120
Ms G Montgomery <i>Director of Operations</i>	70-75	75-80	-	-	100	100	12	(8)	80-85	60-65
Mr S Hamilton <i>Director of Operations</i>	70-75	40-45 (Full year Equivalent 70-75)	-	-	100	100	64	-	135-140	40-45
Ms C Sweeney <i>Head of Human Resources</i>	55-60	55-60	-	-	-	100	4	(24)	60-65	35-40
Mr P King <i>Head of Finance</i>	55-60	55-60	-	-	-	100	20	18	75-80	75-80
Mrs G McGreevy <i>Head of Communications</i>	65-70	65-70	-	-	100	100	10	(17)	75-80	50-55

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

### Salary

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

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. Those detailed in the table above relate to mileage expenses paid to senior managers in the Probation Board in line with National Negotiating Council for the Probation Service terms and conditions. These are higher than the amount allowable for tax (45p per mile) and are reported to the Inland Revenue as a taxable emolument.

## Bonuses

Bonuses are based on performance levels attained in accordance with Standing Committee for (Probation) Chief Officer Grades (SCCOG) Terms and Conditions and are made as part of the appraisal process. No bonuses have been paid to current senior Executives.

## Board Members Remuneration and Expenses

The Chairman and Board Members receive remuneration and expenses. The Board Members are appointed for a fixed term of 3 years. The Chairman’s remuneration is £33,010 per annum payable at a monthly rate of £2,750.83. Board Members receive remuneration of £5,050 per annum payable at a monthly rate of £420.83. The Chairman and the Board Members are not members of the Probation Board’s pension scheme.

Full details of Board Members’ remuneration and expenses are in the following table.

The 13<sup>th</sup> Board Term of Office

### [AUDITED INFORMATION]

Name	Role	£'000
Mr P Barnes MBE OLY	Member	5-10
Mr N Bodger	Member	5-10
Ms M Brunt	Member	5-10
Dr J Byrne	Member	5-10
Mr K Donaghy	Member	5-10
Mr B Ingram OBE	Member	5-10
Mr J Johnston CBE	Member	5-10
Dr M Keady	Member	0-5

Ms A Lloyd-Stevens	Member	5-10
Ms C Magee	Member	5-10
Ms B Mongan OBE	Member	5-10
Mr M Murray CBE	Board Chair	30-35
Ms E Patterson	Deputy Board Chair	5-10
Mrs L Crothers	Boardroom Apprentice	-

The above figures include home to office mileage payments which are taxed at source.

### Fair Pay Disclosure [AUDITED INFORMATION]

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

The table below sets out the details:

	2023-24	2022-23
<b>Band of the Highest Paid Directors Remuneration</b>	85-90,000	85-90,000
<b>Median</b>		
Total Pay and Benefits	32,666	32,666
Salary Component	32,666	32,666
Ratio	2.68	2.68
<b>25th Quartile</b>		
Total Remuneration	27,342	26,575
Salary Component	27,342	26,575
Ratio	3.20	3.29
<b>75th Quartile</b>		
Total Pay & Benefits	37,331	37,331
Salary Component	37,331	37,331
Ratio	2.34	2.34

The ratios regarding the highest paid director have remained consistent with 2022-23 as no pay awards have been paid in the period. PBNI believes the median pay ratio for 2023-24 is consistent with the pay, reward and progression policies for the entity’s employees taken as a whole.

The salary and allowances of the highest paid director have remained static from 2022 and there were no performance pay and bonuses paid in 2023-24 (nil 2022-23). The average salary and allowances for the PBNI workforce has decreased marginally by 1.9% in 2023-24 (2.1% increase in 2022-23) owing to continued turnover of staff.

In 2023-24, no employees received remuneration in excess of the highest paid director.

Remuneration ranged from £20,000 to £88,000 (2022-23: £20,000 to £88,000).

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 Benefits [AUDITED INFORMATION]

Name & Title	Accrued pension at pension age as at 31/3/24 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/24 £'000	CETV at 31/03/23 £'000	Real increase in CETV £'000
Ms A Stewart OBE Chief Executive	0-5	0-2.5	68	38	20
Ms G Montgomery <i>Director of Operations</i>	20-25 plus lump sum of 15-20	0-2.5 plus lump sum (0-2.5)	345	311	7
Mr S Hamilton <i>Director of Operations</i>	25-30 plus lump sum of 15-20	2.5-5.0 plus lump sum of 0-2.5	398	319	51
Mrs C Sweeney <i>Head of Human Resources</i>	25-30 plus slump sum of 25-30	0-2.5 plus lump sum (0-2.5)	497	456	6
Mr P King <i>Head of Finance</i>	0-5	0-2.5	37	20	10
Mrs G McGreevy <i>Head of Communications</i>	25-30	0-2.5	378	340	9

Note: These figures exclude the McCloud Remedy from the calculations for any eligible members. Due to changes to the non-club transfer factors, provided by the Government Actuary's Department during the year the CETV calculations for the 2022/23 year have been re-run and provided as the starting input CETV value for the start of the 2023/24 year.

## Pensions

The Probation Board is an Employing Authority within the scheme provided by the Local Government Pension Scheme (NI). Membership of the scheme is optional for employees, but in practice almost all staff opt into this pension provision arrangement.

All PBNI staff contribute a % of remuneration, dependent on the level of that pensionable remuneration. The bandings for 2023-24 were as follows:

### Contribution Rates

Band Range	Contribution Rate
Up to £16,900	5.5%
£16,901 - £26,000	5.8%
£26,001 - £43,400	6.5%
£43,401 - £52,800	6.8%
£52,801 - £104,700	8.5%
More than £104,700	10.5%

The employer's contribution is determined by the Committee's Actuary every three years and for 2023-24 year was 19.0% of remuneration.

Pension benefits are provided through the Local Government Pension Scheme (NI). This is a committee-based scheme open to all permanent and temporary staff aged over 16 and provides benefits on a career average revalued earnings basis. Prior to 1 April 2015, pension benefits were provided on a final salary basis. Any membership built up to 31 March 2009 will provide an annual pension based on 1/80<sup>th</sup> of the final year's pensionable pay and an automatic tax-free lump sum of three times the pension. Membership built up after 31 March 2009 but before 31 March 2015 will provide an annual pension based on 1/60<sup>th</sup> of the final year's pay. There is still the option to convert annual pension to lump sum subject to HMRC limits.

Membership built up from 1 April 2015 will provide an annual pension based on 1/49<sup>th</sup> of the annual pensionable pay. This new pension scheme is a career average scheme.

On death, pensions are payable to the surviving spouse for a short-term period of 3 months payable at the rate of the member's pensionable remuneration at the date of death. Provided that the deceased member had statutory pension entitlement this is followed by a long-term pension which is payable for life. The calculation is 50% of the deceased's benefits had they taken early retirement. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse's pension.

The Local Government Pension Scheme (NI) is a multi-employer defined benefit scheme. The Probation Board's contributions are affected by a surplus or deficit in the scheme. The most recent full actuarial valuation was completed as at 31 March 2019. The completion of the triennial valuation has set the employer contribution rate at 19.0% for 2023-24 to 2025-26. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

### **The Cash Equivalent Transfer Value (CETV)**

This 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 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of purchasing additional years of pension service in their scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.



## **The Real Increase in the Value of the CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculations use common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## **Compensation for Loss of Office (AUDITED INFORMATION)**

There were no compensation benefits paid by PBNI during this financial year (Nil in 2022-23).

## STAFF REPORT

### Staff Costs (AUDITED INFORMATION)

Staff costs are captured in the table below:

			<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
	<b>Permanently Employed Staff</b>	<b>Others</b>	<b>Total</b>	<b>Total</b>
Wages and salaries	14,565	461	15,026	15,114
Social security costs	1,226	-	1,226	1,355
Other pension costs	2,357	-	2,357	5,619
<b>Sub Total</b>	<b>18,148</b>	<b>461</b>	<b>18,609</b>	<b>22,088</b>
Less recoveries in respect of outward secondments	(52)	-	(52)	(88)
<b>Total net costs</b>	<b>18,096</b>	<b>461</b>	<b>18,557</b>	<b>22,000</b>
Of which:	<b>Charged to Programme</b>	<b>Charged to Others</b>	<b>Total</b>	
PBNI	18,096	461	18,557	
Total net costs	<b>18,096</b>	<b>461</b>	<b>18,557</b>	

The average number of staff employed by the Probation Board during 2023-24 was as follows:

### (AUDITED INFORMATION)

	<b>Permanently Employed Staff</b>	<b>Others</b>	<b>Total 2023-24</b>	<b>Total 2022-23</b>
Directly Employed	385	13	398	411
Other	-	6	6	16
Staff engaged on Capital Projects	-	-	-	
<b>Totals</b>	<b>385</b>	<b>19</b>	<b>404</b>	<b>427</b>

### Employees (AUDITED INFORMATION)

The breakdown of Full Time Equivalent (FTE) employee group by gender at 31 March 2024 is as follows:

Employee Group	Number of FTE employees at 31 March 2024		
	Female	Male	Total
Chief Executive/Directors	2.00	1.00	3.00
Senior Managers (other than Directors)	7.54	2.00	9.54
Permanent employees	255.30	83.87	339.17
Temporary employees (Agency & Fixed Term)	9.21	4.80	14.01
<b>Totals</b>	<b>274.05</b>	<b>91.67</b>	<b>365.72</b>

Agency workers filled vacant essential established posts created by leavers and maternity leave and were also used to fill temporary posts created by temporary programmes.

### Staff Turnover

The table below shows details of staff turnover in 2023-24:

	Number of Staff at beginning of period	Leavers	Staff turnover (%)
Senior Management	13	-	0.0%
Probation Grade	307	31	10.1%
Corporate Admin	37	7	18.9%
Operational Support	57	4	7.0%
<b>Total</b>	<b>414</b>	<b>42</b>	<b>10.1%</b>

### Sick Absence Data

The average number of sick absence days per employee for the 2023-24 year was 15.7 days, whereas the average sick absence days per employee for 2022-23 was 13.1 days. Details of sick absence by business area, gender and grade are as follows:

### Business Area

The number of days lost per staff year varied from 0.0 to 50.5 days across business areas.

### Gender

On average, females accounted for 71.1% of days lost due to sick absence, whereas males accounted for 28.9% of days lost due to sick absence. The proportionate number of days lost per gender is broadly in line with the overall staff numbers by gender.

## **Grade Level**

Highest: Community Service Supervisor: 21.2 days lost per staff year.

Lowest: CEO, Director and Band 2: no days lost per staff year.

The reduction of sick absence levels remains a priority for the Probation Board in 2024-25.

## **Reason for Absence**

The largest proportion of working days lost was due to Anxiety/Stress/Depression/Other Psychiatric Illnesses, which accounted for 33.8% of absence (37.3% in 2022-23).

## **Staff Engagement**

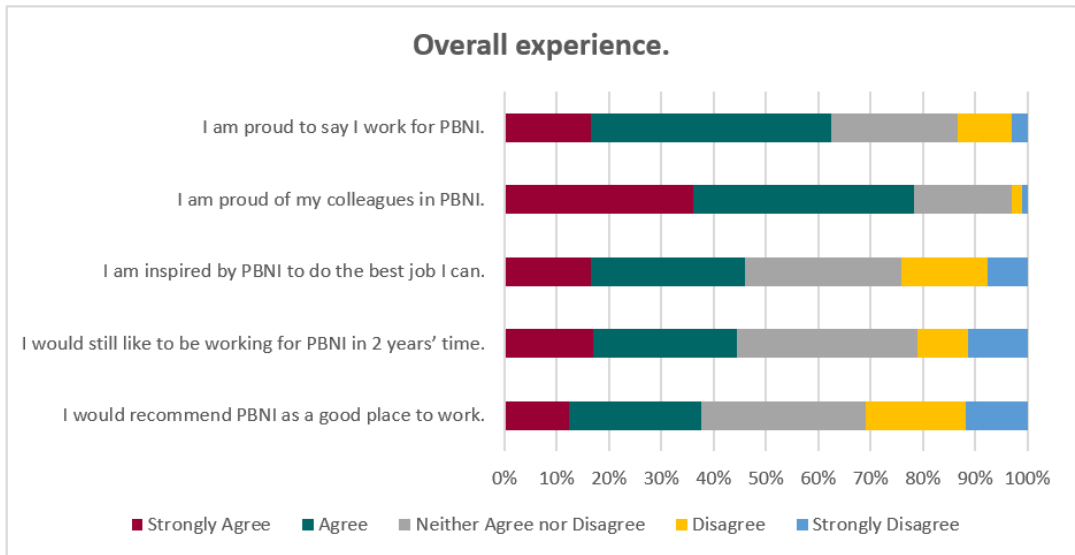
The Probation Board maintains arrangements for regular and meaningful engagement with staff throughout the year. This is achieved through a variety of fora: there were 4 Town Hall events during 2023-24 attended by over 400 staff in total. Two team briefs were issued and we have monthly newsletters; regular intranet updates; and a wellbeing action plan which caters for the diverse needs and interests of our staff.

PBNI supports engagement with Trade Unions through a Joint Negotiating and Consultative Committee and Health and Safety Committee which comprise of management representatives and members of NAPO (the Trade Union, Professional Association for Probation and Family Court staff) and NIPSA (the Northern Ireland Public Service Alliance). Both committees meet regularly.

During 2023-24, PBNI continued work started in the previous year, to improve on organisational culture. This work included undertaking a staff engagement survey in October 2023. There were 194 responses, which is a 48% return rate and indicates a good level of engagement and interest across all staff groups. The survey contained several questions that had been asked as part of the previous staff survey in 2021. In comparison to the previous survey there was an increase in the number of people who said they were proud to work for PBNI (2021: 51%, 2023: 62%). There was an even higher increase in the number of people who said they can speak up and give feedback to managers (2021: 29%, 2023: 63%). High numbers said they believed probation had a clear purpose and aim (2021: 32%, 2023: 89%).

The survey did however find a reduction in the proportion of staff who said they felt valued, which was mainly linked to staff pay and being involved at the earliest stage in organisational decision making.

**Table Four Overall experience question within Staff Engagement Survey**



In response to the survey, we established a Staff Engagement Forum which is chaired by the Chief Executive. The first meeting of the forum was held in March 2024 and this group will take forward an action plan to continue to enhance engagement and help build a culture where everyone feels included and valued within PBNI.

In addition, several key policies were reviewed including the formal introduction of a Hybrid working policy, which has put in place workplace agreements to allow staff the flexibility to work remotely up to two days a week where operational requirements allow.

## **Equal Opportunity Policy Statement**

PBNI has an Equal Opportunity Policy to ensure that, during the course of their employment, no employee will receive less favourable treatment or be discriminated against on the grounds of their sex including gender reassignment, pregnancy or maternity leave, marital or civil partnership status, sexual orientation, race or ethnic origin, religious belief, political opinion, national identity, age or disability.

PBNI is opposed to all forms of unlawful and unfair discrimination. All job applicants, employees and others who work for us will be treated fairly and will not be unlawfully discriminated against (either directly or indirectly) or receive less favourable treatment on any of the above grounds. Decisions about recruitment and selection, promotion, training or any other benefit will be made on an objective basis and without unlawful discrimination.

PBNI is an equal opportunities employer and welcomes applications for employment from all suitably qualified candidates.

PBNI is committed to:

- giving full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities;
- continuing the employment of, and for arranging appropriate training for, employees who have become disabled during their period of employment with PBNI; and
- providing appropriate training, career development and promotion of disabled employees.

## **Equality and Diversity**

Section 75 of the Northern Ireland Act 1998 places a statutory duty on the PBNI to have due regard to the promotion of equality and good relations internally and externally. PBNI's Equality Scheme was written following public consultation and approved by the Equality Commission for Northern Ireland in March 2012 and republished in August 2017. This five-year scheme contains commitments to engagement with our consultees and the mainstreaming of equality into our corporate business planning processes.

PBNI has also published its Equality Action Plan designed to promote greater equality of opportunity and better community relations in the delivery of our service.

### **Off-payroll engagements and Exit Packages (AUDITED INFORMATION)**

PBNI did not have any off-payroll engagements or exit packages during the 2023-24 financial year (Nil 2022-23).

### **Consultancy**

PBNI did not incur any expenditure on consultancy during the 2023-24 financial year.

## **ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT (AUDITED INFORMATION)**

### **Losses and Special Payments**

There were no losses nor special payments made by the Board in 2023-24 (zero in 2022-23).

### **Fees and Charges**

PBNI carry out statutory services in Prisons for the provision of social welfare services in prisons and young offenders' centres as set out in the Probation Board (Northern Ireland) Order 1982. PBNI charge the Northern Ireland Prison Service (NIPS) for this service. The charge is full cost recovery as agreed in a Service Level Agreement. PBNI received £1,134k in income from NIPS in 2023-24 (£1,134k in 2022-23).

### **Remote Contingent Liabilities**

PBNI has no remote contingent liabilities to report at 31 March 2024 (zero in 2022-23).

A handwritten signature in black ink that reads "Amanda Stewart".

**Amanda Stewart OBE**

**Chief Executive**

**25 June 2024**



## **PROBATION BOARD FOR NORTHERN IRELAND**

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

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Probation Board for Northern Ireland for the year ended 31 March 2024 under the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Probation Board for Northern Ireland's affairs as at 31 March 2024 and of the Probation Board for Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Probation Board (Northern Ireland) Order 1982 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 regularity**

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

## **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Probation Board for Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Probation Board for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Probation Board for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Probation Board for Northern Ireland is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## **Other Information**

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Justice directions made under the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

In the light of the knowledge and understanding of the Probation Board for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

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

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

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing the Probation Board for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Probation Board for Northern Ireland will not continue to be provided in the future.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Probation Board for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Probation Board (Northern Ireland) Order 1982 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010 and the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on the Probation Board for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Probation Board for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate , and testing of journal entries, discussing regularity with management, reading internal audit reports and review of legal provisions;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

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

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

## **Report**

I have no observations to make on these financial statements.



*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*  
*02 July 2024*



**FINANCIAL  
STATEMENTS  
2023-24**



## FINANCIAL STATEMENTS 2023-24

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2024

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

	Note	2023-24 £'000	2022-23 £'000
Revenue from contracts with customers	4	(1,134)	(1,134)
Other Operating Income	4	(475)	(854)
<b>Total Operating Income</b>		<u>(1,609)</u>	<u>(1,988)</u>
Staff Costs	2	18,609	22,088
Purchases of goods and services	2	3,559	3,998
Depreciation and Amortisation charges	5&6	1,090	982
Provision Expense	11	-	100
Other Operating Expenditure	3	1,610	1,897
<b>Total Operating Expenditure</b>		<u>24,868</u>	<u>29,065</u>
<b>Net Operating Expenditure</b>		<u>23,259</u>	<u>27,077</u>
Finance Income		(2)	(2)
Finance Expense		(28)	694
<b>Net expenditure for the year before Taxation</b>		<u>23,229</u>	<u>27,769</u>
Corporation Tax Payable		-	-
<b>Net expenditure for the year after Taxation</b>		<u>23,229</u>	<u>27,769</u>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating expenditure:			
Net gain on revaluation of Property, Plant and Equipment.	5	(281)	(52)
Net gain on revaluation of Intangible Assets	6	(1)	-
Actuarial gain on Pension Scheme Liabilities	10.7	(144)	(30,136)
<b>Comprehensive net expenditure for the year</b>		<u>22,803</u>	<u>(2,419)</u>

All amounts above relate to the continuing activities of the PBNI.

The notes on pages 90 to 125 form part of the accounts.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

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

	Note	31 March 2024 £'000	31 March 2023 £'000
<b>Non-current assets:</b>			
Property, plant and equipment	5	3,417	3,624
Intangible assets	6	1,107	1,246
Financial assets	18	12	11
<b>Total non-current assets</b>		<u>4,536</u>	<u>4,881</u>
<b>Current assets:</b>			
Trade and other receivables	9	229	193
Financial assets	18	14	8
<b>Total current assets</b>		<u>243</u>	<u>201</u>
<b>Total assets</b>		<u>4,779</u>	<u>5,082</u>
<b>Current liabilities:</b>			
Cash and cash equivalents	7	(74)	(297)
Trade and other payables	9	(6,876)	(4,345)
Provisions	11	(100)	(100)
<b>Total current liabilities</b>		<u>(7,050)</u>	<u>(4,742)</u>
<b>Total assets less current liabilities</b>		<u>(2,271)</u>	<u>340</u>
<b>Non-current liabilities</b>			
Pension liabilities	10.3	(157)	(164)
Other payables	13.2	(658)	(865)
<b>Total non-current liabilities</b>		<u>(815)</u>	<u>(1,029)</u>
<b>Total assets less liabilities</b>		<u>(3,086)</u>	<u>(689)</u>
<b>Taxpayers' equity and other reserves</b>			
General Reserve		(3,783)	(1,163)
Revaluation reserve		697	474
<b>Total Taxpayers' Surplus / (Deficit)</b>		<u>(3,086)</u>	<u>(689)</u>

The notes on pages 90 to 125 form part of the accounts. The financial statements on pages 86 to 125 were approved by the Board and were signed on its behalf by:



**Amanda Stewart OBE**  
**Chief Executive**  
 25 June 2024

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

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

	Note	£'000	2023-24 £'000	£'000	2022-23 £'000
<b>Cash Flows from operating activities</b>					
Net expenditure for the year			(23,229)		(27,769)
Adjustments for non-cash transactions	12	3,460		7,446	
(Increase)/Decrease in trade and other receivables	8	(36)		23	
(Decrease)/Increase in trade and other payables	9	2,324		2,600	
Movement on non-current asset payables not passing through the SoCNE		255		(1,234)	
Employers Pension Costs	10.6	(2,235)		(2,384)	
			<u>3,769</u>		<u>6,451</u>
<b>Net cash outflow from operating activities</b>			(19,461)		(21,318)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	5	(72)		(337)	
Purchase of intangible assets	6	(115)		(168)	
Proceeds from Disposal of Assets Held for Sale		-		-	
Loans to employees for car loans	18	(17)		(11)	
Repayments of Loans	18	10		12	
<b>Net cash outflow from investing activities</b>			(194)		(504)
<b>Cash flows from financing activities</b>					
Grants from Sponsoring Department			20,406		22,576
Capital element of finance lease payments			(528)		(564)
<b>Net increase in cash and cash equivalents in the period</b>			<b>223</b>		<b>190</b>
Cash and cash equivalents at the beginning of the period			(297)		(487)
Cash and cash equivalents at the end of the period	7		<b>(74)</b>		<b>(297)</b>

The notes on pages 90 to 125 form part of the accounts

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2024

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

	<b>General Fund</b>	<b>Revaluation Reserve</b>	<b>Taxpayers' Equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 31 March 2022</b>	<b>(26,149)</b>	<b>465</b>	<b>(25,684)</b>
Net gain on revaluation of property, plant and equipment	-	52	52
Actuarial Gain	30,136	-	30,136
Release of reserves to the net expenditure account	43	(43)	-
Comprehensive net expenditure for the year	(27,769)	-	(27,769)
Grant from sponsoring department	22,576	-	22,576
<b>Balance at 31 March 2023</b>	<b>(1,163)</b>	<b>474</b>	<b>(689)</b>
<b>Changes in taxpayers' equity for 2023-24</b>			
Net gain on revaluation of property, plant and equipment	-	282	282
Actuarial Gain	144	-	144
Release of reserves to the net expenditure account	59	(59)	-
Comprehensive net expenditure for the year	(23,229)	-	(23,229)
Grant from sponsoring department	20,406	-	20,406
<b>Balance at 31 March 2024</b>	<b>(3,783)</b>	<b>697</b>	<b>(3,086)</b>

The notes on pages 90 to 125 form part of the accounts

## NOTES TO THE ACCOUNTS

### 1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 Probation Board for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Probation Board are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting Convention

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

Without limiting the information given, the accounts meet the accounting and disclosure requirements issued by HM Treasury and the Department of Finance, with particular regard to the Government FReM and other relevant guidance in so far as those requirements are appropriate.

#### 1.2 Advances to Probation Offices

All advances to offices are also treated as receivables balances in the Statement of Financial Position.

### **1.3 Department of Justice Grant**

The financing of the Non-Departmental Public Body activities is expected to be met by DoJ from funds which are voted annually under the relevant Budget Act. Grant income in respect of revenue and capital expenditure is credited to the General Fund in accordance with guidance contained in the FReM.

### **1.4 Value Added Tax**

Probation Board NI has a limited VAT status. This means VAT can be reclaimed on secondment income. HMRC advised PBNI of the registration in January 2016 and have charged VAT on seconded income from April 2014. The VAT liability with HMRC at 31 March 2024 is £5k. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets.

### **1.5 Income – Note 4**

International Financial Reporting Standard (IFRS) 15 (Revenue from Contracts with Customers) was applied by HM Treasury in the Government FReM from financial year 2019-20, which introduced a five-stage model for the recognition of revenue from contracts with customers. PBNI recognises revenue by applying the following steps:

Step 1: A contract is put in place with all customers;

Step 2: Performance obligations are included in the contract;

Step 3: Transaction price is agreed with the customer;

Step 4: Performance obligations in the contract are monitored in line with payment; and

Step 5: Revenue is recognised when performance obligations are satisfied.

Note 4 income represents revenue from contracts from the Northern Ireland Prison Service (NIPS) for work carried out by PBNI under a Service Level Agreement (SLA) in line with statutory obligations. PBNI income also relates to staff on secondment and income received from DoJ for programmes under SLAs.

In respect of performance obligations, income is accrued/invoices paid and revenue recognised in accordance with agreed payment terms as set out in the respective SLAs.

### **Other operating income**

Other operating income is income which relates directly to the operating activities of the NDPB. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the FReM, is treated as operating income.

## **1.6 Property, Plant and Equipment**

### **Valuation**

Expenditure on property, plant and equipment of over £1,000 is capitalised. Where material, the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

On initial recognition, property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. In compliance with IAS 16 Property, Plant and Equipment, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue. All property, plant and equipment are carried at fair value.

All property, plant and equipment with the exception of land and buildings and assets under construction are revalued by reference to appropriate Office for National Statistics indices as a proxy for fair value. Revaluations are recognised on an asset-by-asset basis with no account taken of potential profit or loss on other non-current assets.

An independent desk-based valuation of land and buildings is completed annually by Land and Property Services (LPS) with a full professional valuation every 5 years. An independent desk-based valuation was carried out as at 29 February 2024 by Neil McCall MRIS.

### **Intangible assets**

Expenditure on the Probation Board digital Electronic Case Management System (ECMS) including supplier design and implementation costs and internal Agency project team staff salary costs, has been capitalised and classified as an intangible asset.

In addition, expenditure on computer software licenses lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. All intangible assets are carried at fair value and are revalued annually using appropriate indices provided by the Office for National Statistics.

### **Revaluation Reserve**

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense.

### **Depreciation and amortisation**

All property, plant and equipment and intangible assets are depreciated/amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point when the asset is brought into use.



Estimated useful lives, which are reviewed regularly, are:

CATEGORY	METHOD OF RECORDING	THRESHOLD	ESTIMATED USEFUL LIVES
Land	Individual	£ Nil	No depreciation
Buildings & Dwellings	Individual	£ Nil	10 – 80 years (or leasehold)
Plant & Machinery	Individual	£1,000	2 - 40 years
Information Technology	Individual	£1000 or (Attractive items of value normally in excess of £100)	1 – 16 years
Assets Under Construction	Individual	£1,000	No depreciation
Intangible Assets (software & licences)	Individual	£1,000	1-10 years

Software licences are amortised over the shorter of the term of the licence and the useful economic life.

### Assets Classified as Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to complete within one year of the classification.

### 1.7 Leases

IFRS 16 Leases has been implemented from 1 April 2022. It largely removes the distinction between operating and finance leases and introduces a single lease accounting model. A lessee is required to recognise ('right-of-use') assets and liabilities for all leases (apart from the exemptions listed below). This replaces the previous standard, IAS 17 Leases, representing a change in accounting policy applied in accordance with IAS 1 and IAS 8 as adapted by the FReM.

PBNI has elected not to recognise right of use assets and lease liabilities for the following leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and
- leases with a lease term of 12 months or less.

*Policy applicable from 1 April 2022*

At inception of a contract, PBNI assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, PBNI assesses whether:

- the contract involves the use of an identified asset;
- PBNI has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- PBNI has the right to direct how and for what purpose the asset is used for.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

*PBNI as a lessee*

*Right of use assets*

PBNI recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost

measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property, plant and equipment assets.

PBNI applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

### *Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (3.51% for leases recognised in 2023, 4.72% for those in 2024).

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the PBNI's estimates of the amount expected to be payable under a residual value guarantee, or if the PBNI changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the PBNI is reasonably certain to exercise; and
- penalties for early termination of a lease unless the PBNI is reasonably certain not to terminate early.

At the commencement of a lease, the PBNI recognises a right of use asset and a lease liability.

### **1.8 Pension Costs**

Most staff in PBNI are members of the Local Government Pension Scheme (NI). Further details regarding the operation of the pension scheme are contained in note 10 to the accounts and the Remuneration and Staff Report.

### **1.9 Early Departure Costs**

The Probation Board is required to provide in full for the cost of paying pensions of employees who retire early from the date of their retirement until the pension is no longer due to the individuals or their spouses. Payments during the year in respect of these individuals are charged to the provision. Each year the provision is recalculated and restated if necessary with any under or over provision charged or credited to Other Operating Costs. This is part of the IAS19 actuarial valuation and it is shown in Note 10 to the accounts.

### **1.10 Provisions**

The Probation Board provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

### **1.11 Contingent Liabilities**

In accordance with International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, PBNI has no contingent liabilities, which are both probable and estimable, to report as at 31 March 2024.

### **1.12 Community and Voluntary Sector Funding**

Grants paid to Community bodies are part of the ordinary activities of PBNI and are charged to Other Expenditure as incurred. Grants are offered and issued in accordance with the Probation Board's Community and Voluntary Sector Funding terms, conditions and finance instructions. Community bodies are required to incur all expenditure by the Probation Board's financial year end. There are no unclaimed grants at year end.

### **1.13 Insurance**

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

### **1.14 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when PBNI becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when PBNI no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Note 17 reflects the balance owed to PBNI in respect of the car loan scheme. Officers designated as essential car users will be considered for a loan under the conditions of the scheme in accordance with the Probation Board (NI) Order 1982.

## **1.15 Financial Assets**

A financial asset is classified as such, if acquired principally for the purpose of selling in the short term (held for trading) or if so designated by management. Financial assets are initially recognised and subsequently measured at fair value, with changes in value recognised in the income statement in the line which most appropriately reflects the nature of the item or transaction.

### **Trade and Other Receivables**

Financial assets within trade and other receivables are recognised and retained at fair value and then subsequently measured at amortised cost.

### **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.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

### **Impairment of Financial Assets**

PBNI recognises a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

PBNI always recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

## **1.16 Financial Liabilities**

### **Trade and Other Payables**

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently measured at amortised cost.

## **1.17 Employee Benefits**

Under IAS 19 (Employee Benefits), an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. PBNI has recognised annual leave entitlements that have been earned by year end but not yet taken. These are included in current liabilities.

## **1.18 Segmental Reporting**

Under the requirements of IFRS 8 *Operating Segments*, PBNI must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. 'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the Chief Executive Officer. As total assets for segments are not regularly reported to the Chief Executive Officer, PBNI has adopted this option.

PBNI does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments. This conclusion is based on PBNI's current system/format of internal management reporting to the Chief Executive, Senior Executive Team, Senior Leadership Team and Board, who consider financial performance at Board level.

## 1.19 Critical Accounting Estimates and Key Judgements

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

**(i) Pension and other post-retirement benefits**

PBNI accounts for pension and other post-retirement benefits in accordance with IAS 19 *Employee benefits*. In determining the pension cost and the defined benefit obligation of the pension scheme, a number of assumptions are used by the Actuary, these include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in Note 10.

**(ii) Calculation of employee benefits**

This calculation is based on a 60% sample of the workforce in PBNI, across all grades and specialisms. The sample results are then used as a basis for calculating an overall figure for PBNI.

Other than as noted above, no material accounting estimates or judgements were made by PBNI in preparing these Accounts.

## 1.20 Accounting standards, amendments, interpretations or other updates that were issued and effective from 1 January 2024

PBNI has considered the accounting standards, interpretations and updates identified by HM Treasury effective from 1 January 2024 and considers that these changes are not relevant or material to its operations.



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

PBNI has considered those new standards, interpretations and amendments to existing standards which have been published and are mandatory for the accounting periods beginning on or after 1 April 2023 or later periods, but which PBNI has not adopted early. PBNI considers that these standards are not relevant or material to its operations.

### **1.22 Financial Reporting - Future Developments**

PBNI has considered the accounting initiatives identified by HM Treasury covering amendments or interpretations, and projects where standards, amendments or interpretations are in development. PBNI considers that these changes are not relevant or material to its operations.

## 2. PROGRAMME EXPENDITURE

	Note	2023-24 £'000	2022-23 £'000
<b>Staff Costs**</b>			
Wages and salaries		15,026	15,114
Social security costs		1,226	1,355
Pension Provision		2,357	5,619
		<b>18,609</b>	<b>22,088</b>
<b>Purchase of goods and services</b>			
<b>Cash items:</b>			
Accommodation costs, maintenance and utilities		700	941
IT, communications and office services		226	273
Consumables, equipment and transport costs		85	130
Contracted out and managed services		1,470	1,417
Professional and consultancy services		270	301
Client and programme operating costs		90	98
Rentals under operating leases		183	188
Staff related costs		393	497
Other costs		14	21
Auditor's remuneration		25	16
Commissions, Panels and Tribunals costs		46	50
		<b>3,502</b>	<b>3,932</b>
<b>Non-cash items:</b>			
(Profit)/loss on disposal of non-current assets		(2)	5
Other non-cash items		59	61
		<b>57</b>	<b>66</b>
<b>Total purchase of goods and services</b>		<b>3,559</b>	<b>3,998</b>
<b>Depreciation and impairment charges</b>			
Depreciation	5	878	786
Amortisation	6	213	196
Revaluation, indexation and impairment released to SoCNE		(1)	
		<b>1,090</b>	<b>982</b>
<b>Provision expense</b>			
Provided in year		-	100
Written back in year		-	-
		-	<b>100</b>
<b>Other - Resource:</b>			
Other non EU Grants	3	1,610	1,897
<b>Total grants</b>		<b>1,610</b>	<b>1,897</b>
<b>Total Programme costs excluding finance expense</b>		<b>24,869</b>	<b>29,065</b>
<b>Finance expense:</b>			
Interest payable		16	15
Pension liability interest charges (Non-cash)		(44)	679
<b>Total finance expense</b>		<b>(28)</b>	<b>694</b>
<b>Total Programme costs including finance expense</b>		<b>24,841</b>	<b>29,759</b>

\* Further Analysis of staff costs is located in the Staff Report on page 71.

### 3. OTHER OPERATING EXPENDITURE

Grants in respect of schemes for the supervision and assistance of people who have offended and the prevention of crime:

	2023-24 £'000	2022-23 £'000
<b>Grants over £100,000</b>		
Northern Ireland Association for Care and Resettlement of Offenders (NIACRO) <sup>1</sup>	984	957
Ascertain <sup>2</sup>	187	340
Inspire <sup>3</sup>	152	155
<b>Grants £50,001- £100,000</b>		
Start 360 <sup>4</sup>	98	142
Barnardo's <sup>5</sup>	72	88
Women's Aid Federation <sup>6</sup>	60	60
<b>Grants up to £50,000</b>		
NI Alternatives <sup>7</sup>	13	40
Community Restorative Justice Ireland (CRJI) <sup>8</sup>	10	40
Others <sup>9</sup>	34	75
<b>Total</b>	<b>1,610</b>	<b>1,897</b>

<sup>1</sup> **NIACRO** - £887k was granted for the Mentoring and Young Men's project under the Aspire programme; £67k was granted for the SkillSet Programme; and £30k for the Transitions project.

<sup>2</sup> **Ascertain** - £80k and £107k was awarded for the Addiction Services and Secondary Services projects respectively.

<sup>3</sup> **Inspire** - was awarded £152k for the Substance Misuse Court.

<sup>4</sup> **Start 360** - £98k was granted for the Engage project via the Aspire programme.

<sup>5</sup> **Barnardo's** - £72k was granted for the ECO-Parenting project.

<sup>6</sup> **Women's Aid Federation** - £60k was granted for the Promoting Positive Relationships Programme (PRRP).

<sup>7</sup> **Northern Ireland Alternatives** - was awarded £13k for the ECO project.

<sup>8</sup> **CRJI** - was awarded £10k for the ECO project.

<sup>9</sup> **Grants up to £50,000** – Grant funding relates to the following: Quaker Service via the Victims of Crime Fund (£10k) and 24 Community Service Placement grants (£24k).

All awards were subject to open application and adjudication in line with PBNI Community and Voluntary Sector Funding policies and procedures.

#### 4. PROGRAMME INCOME

	2023-24	2022-23
	£'000	£'000
<b>Income from Activities</b>		
<b>Revenue from contracts with customers</b>		
NI Prison Service	1,134	1,134
<b>Other Operating Income</b>		
Secondment	52	88
Other Income	423	766
<b>Total Programme Income</b>	<b>1,609</b>	<b>1,988</b>
<b>Finance Income</b>		
Interest Receivable	2	2
<b>Total Programme Income including Finance Income</b>	<b>1,611</b>	<b>1,990</b>

NI Prison Service - £1,134k (2022-23: £1,134k) per the Service Level Agreement between the Probation Board and the NI Prison Service for the provision of social welfare services in prisons and young offenders' centres as set out in the Probation Board (Northern Ireland) Order 1982.

Secondments - £52k (2022-23: £88k) represents salary and travel income for staff on secondment.

Other Income - £423k (2022-23: £766k) for programmes funded by additional monies received from the DoJ for the Domestic Violence programme and for recharges for services supplied to other public bodies for rent and miscellaneous refunds.

## **5. PROPERTY, PLANT AND EQUIPMENT**

A full professional valuation was carried out by Land and Property Services as at 28 February 2024. The valuations have been made in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors on the basis of Existing Use Value or Open Market Value as appropriate.

The market value of land and buildings is £915k (2022-23: £815k), which is also the existing use value and the gross current replacement cost per the asset register. Included within land and buildings is land valued at £490k (2022-23: £447k), which is non-depreciable.

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2023-24	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2023	447	5,523	1,622	329	818	8,739
Additions	-	295	33	32	28	388
Disposals	-	-	-	-	-	-
Reclassifications	-	729	48	-	(777)	-
Revaluation	43	69	18	(10)	-	120
		-				
<b>At 31 March 2024</b>	<b>490</b>	<b>6,616</b>	<b>1,721</b>	<b>351</b>	<b>69</b>	<b>9,247</b>
<b>Depreciation</b>						
At 1 April 2023	-	3,723	1,251	141	-	5,115
Charged in year	-	639	196	43	-	878
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Revaluation	-	(171)	11	(3)	-	(163)
<b>At 31 March 2024</b>	<b>-</b>	<b>4,191</b>	<b>1,458</b>	<b>181</b>	<b>-</b>	<b>5,830</b>
<b>Carrying amount at 31 March 2024</b>	<b>490</b>	<b>2,425</b>	<b>263</b>	<b>170</b>	<b>69</b>	<b>3,417</b>
<b>Carrying amount at 31 March 2023</b>	<b>447</b>	<b>1,800</b>	<b>371</b>	<b>188</b>	<b>818</b>	<b>3,624</b>
<b>Asset Financing:</b>						
Owned	490	1,227	263	170	69	2,219
Finance leased	-	1,198	-	-	-	1,198
<b>Carrying amount at 31 March 2023</b>	<b>490</b>	<b>2,425</b>	<b>263</b>	<b>170</b>	<b>69</b>	<b>3,417</b>

2022-23	Land	Buildings	Vehicles, Plant and Machinery	Information Technology	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2022	447	3,736	1,469	145	837	6,634
Opening balance adjustment	-	1,794	-	-	-	1,794
Restated opening balance	447	5,530	1,469	145	837	8,428
Additions	-	88	128	167	(19)	364
Disposals	-	(133)	(50)	(1)	-	(184)
Reclassifications	-	-	-	-	-	-
Revaluation	-	38	75	18	-	131
		-				
<b>At 31 March 2023</b>	<b>447</b>	<b>5,523</b>	<b>1,622</b>	<b>329</b>	<b>818</b>	<b>8,739</b>
<b>Depreciation</b>						
At 1 April 2022	-	3,243	1,071	116	-	4,430
Charged in year	-	583	179	24	-	786
Disposals	-	(133)	(46)	(1)	-	(180)
Reclassifications	-	-	-	-	-	-
Revaluation	-	30	47	2	-	79
<b>At 31 March 2023</b>	<b>-</b>	<b>3,723</b>	<b>1,251</b>	<b>141</b>	<b>-</b>	<b>5,115</b>
<b>Carrying amount at 31 March 2023</b>						
	<b>447</b>	<b>1,800</b>	<b>371</b>	<b>188</b>	<b>818</b>	<b>3,624</b>
<b>Carrying amount at 31 March 2022</b>						
	<b>447</b>	<b>493</b>	<b>398</b>	<b>29</b>	<b>837</b>	<b>2,204</b>
<b>Asset Financing:</b>						
Owned	447	429	371	188	818	2,253
Finance leased	-	1,371	-	-	-	1,371
<b>Carrying amount at 31 March 2022</b>	<b>447</b>	<b>1,800</b>	<b>371</b>	<b>188</b>	<b>818</b>	<b>3,624</b>

## 6. INTANGIBLE ASSETS

2023-24	Software and Licences	Externally Developed Software	Assets Under Construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2023	1,453	11	220	1,684
Additions	59	9	6	74
Disposals	-	-	-	-
Reclassifications	-	-	-	-
<b>At 31 March 2024</b>	<b>1,512</b>	<b>20</b>	<b>226</b>	<b>1,758</b>
<b>Amortisation</b>				
At 1 April 2023	438	-	-	438
Charged in year	213	-	-	213
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>651</b>	<b>-</b>	<b>-</b>	<b>651</b>
<b>Carrying amount at 31 March 2024</b>	<b>861</b>	<b>20</b>	<b>226</b>	<b>1,107</b>
<b>Carrying amount at 31 March 2023</b>	<b>1,015</b>	<b>11</b>	<b>220</b>	<b>1,246</b>
<b>Asset Financing:</b>				
Owned	861	20	226	1,107
<b>Carrying amount at 31 March 2024</b>	<b>861</b>	<b>20</b>	<b>226</b>	<b>1,107</b>



<b>2022-23</b>	<b>Software and Licences</b>	<b>Externally Developed Software</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>				
At 1 April 2022	1,280	1	259	1,540
Additions	173	10	(39)	144
Disposals	-	-	-	-
Reclassifications	-	-	-	-
<b>At 31 March 2023</b>	<b>1,453</b>	<b>11</b>	<b>220</b>	<b>1,684</b>
<b>Amortisation</b>				
At 1 April 2022	242	-	-	242
Charged in year	196	-	-	196
Disposals	-	-	-	-
<b>At 31 March 2023</b>	<b>438</b>		<b>-</b>	<b>438</b>
<b>Carrying amount at 31 March 2023</b>	<b>1,015</b>	<b>11</b>	<b>220</b>	<b>1,246</b>
<b>Carrying amount at 31 March 2022</b>	<b>1,038</b>	<b>1</b>	<b>259</b>	<b>1,298</b>
<b>Asset Financing:</b>				
Owned	1,015	11	220	1,246
<b>Carrying amount at 31 March 2023</b>	<b>1,015</b>	<b>11</b>	<b>220</b>	<b>1,246</b>

## 7. CASH AND CASH EQUIVALENTS

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Balance at 1 April	(297)	(487)
Net change in cash and cash equivalent balances	<u>223</u>	<u>190</u>
<b>Balance at 31 March</b>	<b><u>(74)</u></b>	<b><u>(297)</u></b>

### The following balances at 31 March were held at:

NI Banking Pool and cash in hand	<u>(74)</u>	<u>(297)</u>
Balance at 31 March	<b><u>(74)</u></b>	<b><u>(297)</u></b>

## 8. TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	119	129
Prepayments and accrued income	91	19
Other receivables	19	45
	<b><u>229</u></b>	<b><u>193</u></b>

## 9. TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2023-24 £'000	2022-23 £'000
<b>Amounts falling due within one year:</b>		
VAT	5	-
HM Revenue and Customs	533	295
Trade payables	18	188
Accruals	5,993	3,408
Lease liabilities	327	454
	<u>6,876</u>	<u>4,345</u>

## 10. PROVISIONS - PENSION COMMITMENTS

### Introduction

The Probation Board makes employer contributions to the Northern Ireland Local Government's Officers Superannuation Scheme (NILGOSC).

The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014'. The unfunded pension arrangements relate to the termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme (Northern Ireland) under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

## **Funding/Governance Arrangements of the LGPS**

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2022 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Northern Ireland Local Government Officers' Superannuation Committee is responsible for the governance of the Fund.

### **Assets**

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Committee) is shown in the disclosures. The Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

## **Risks Associated with the Fund in relation to Accounting**

### **Asset Volatility**

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets under perform this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

### **Changes in Bond Yield**

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

### **Inflation Risk**

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

### **Life Expectancy**

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

## Exiting Employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of ‘orphan liabilities’ may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. ‘Orphan liabilities’ are currently a small proportion of the overall liabilities in the Fund.

### 10.1 Assumptions and Sensitivity of Results

The principal assumptions used by the Actuary in updating the latest valuation of the Fund for IAS 19 purposes were as follows:

#### Financial Assumptions

	31/03/2024	31/03/2023	31/03/2022	31/03/2021	31/03/2020
Inflation Increase Rate (CPI)	2.60%	2.70%	3.00%	2.70%	2.00%
Salary Increase Rate	4.10%	4.20%	4.50%	4.20%	3.50%
Pension Increase Rate	2.60%	2.70%	3.00%	2.70%	2.00%
Discount rate	4.80%	4.70%	2.70%	2.10%	2.30%

#### Mortality

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Based on these assumptions, the average future life expectancies at age 65 in normal health are summarised below:

	Males	Females
Current Pensioners	21.7 years	24.6 years
Future Pensioners	22.7 years	25.6 years

## Sensitivity of Results

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2024 and the projected service costs for the year ending 31 March 2024 is set out below. This does not include sensitivity of unfunded benefits on materiality grounds.

<b>Discount rate assumption</b>		
Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£'000s)	113,270	117,188
% change in present value of total obligation	-1.70%	1.70%
Projected service cost (£'000s)	2,192	2,386
Approximate % change in projected service cost	-4.20%	4.30%
<b>Rate of general increase in salaries</b>		
Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£'000s)	115,459	114,999
% change in present value of total obligation	0.20%	-0.20%
Projected service cost (£'000s)	2,288	2,288
Approximate % change in projected service cost	0.00%	0.00%
<b>Rate of increase to pensions in payment and deferred pensions assumption</b>		
Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£'000s)	116,957	113,501
% change in present value of total obligation	1.50%	-1.50%
Projected service cost (£'000s)	2,386	2,192
Approximate % change in projected service cost	4.30%	-4.20%
<b>Post retirement mortality assumption</b>		
Adjustment to mortality age rating assumption*	<b>+1 year</b>	<b>-1 year</b>
Present value of total obligation (£'000s)	118,225	112,233
% change in present value of total obligation	2.60%	-2.60%
Projected service cost (£'000s)	2,370	2,206
Approximate % change in projected service cost	3.60%	-3.60%

\*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

## Statement of Financial Position Disclosures at 31 March 2024

### 10.2 Fair Value of Employer Assets

Year Ended:	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2021 £'000
Equities	56,213	47,268	57,150	57,277
Government Bonds	22,382	24,343	32,904	29,195
Corporate Bonds	5,403	3,545	2,931	14,969
Multi Asset Credit	17,108	15,716	17,451	-
Property	12,477	13,235	13,322	11,010
Cash	7,204	7,681	5,329	6,556
Other	7,847	6,381	4,130	4,701
<b>Total</b>	<b>128,634</b>	<b>118,169</b>	<b>133,217</b>	<b>123,708</b>

The above assets' values as at 31 March 2024 are at bid value as required under IAS19. The assets allocated to the Employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if the situation arises.

### 10.3 Pension Provision Calculation

Year Ended:	31 March 2024	31 March 2023	31 March 2022	31 March 2021
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	128,634	118,169	133,217	123,708
Present Value of Funded Liabilities	(115,229)	(115,851)	(159,356)	(164,046)
Net Surplus / (Underfunding) in Funded Plans	13,405	2,318	(26,139)	(40,338)
Unrecognised Asset Adjustment	(13,405)*	(2,318)*	-	-
Present Value of Unfunded Liabilities	(157)	(164)	(186)	(205)
<b>Net Asset / (Liability)</b>	<b>(157)</b>	<b>(164)</b>	<b>(26,325)</b>	<b>(40,543)</b>
Amount in the Statement of Financial Position – Assets / (Liabilities)	(157)	(164)	(26,325)	(40,543)

\*Additional calculations were required to determine if the Net Pension Asset could be recognised in full in the PBNI Statement of Financial Position (SoFP), or if it could be restricted. A surplus can only be recognised if the PBNI can gain an economic benefit from it.



#### 10.4 Recognition in the Statement of Comprehensive Net Expenditure

Year Ended:	31 March 2024	31 March 2023
	£'000	£'000
Current Service Cost (excluding Administration expense)	2,355	5,619
Administration expense	59	61
Past Service Cost (including curtailments)	2	-
Interest on net defined benefit liability	(44)	679
<b>Pension expense recognised in statement of comprehensive net expenditure</b>	<b>2,372</b>	<b>6,359</b>
Actual Return on Plan Assets	12,186	(14,060)

#### 10.5 Reconciliation of Defined Benefit Obligation during the Accounting Period

Year Ended:	31 March 2024	31 March 2023
	£'000	£'000
<b>Opening Defined Benefit Obligation</b>	<b>116,015</b>	<b>159,542</b>
Current Service Cost	2,355	5,619
Administration Expense	59	61
Interest expense	5,362	4,263
Contributions by Members	749	785
Actuarial (Gains)/Losses	(4,451)	(50,098)
Past Service Costs	2	-
Estimated Benefits Paid	(4,705)	(4,157)
<b>Closing Defined Benefit Obligation</b>	<b>115,386</b>	<b>116,015</b>

## 10.6 Reconciliation of Fair Value of Employer Assets

Year Ended:	31 March 2024	31 March 2023
	£'000	£'000
<b>Opening Fair Value of Employer Assets</b>	<b>118,169</b>	<b>133,217</b>
Interest income on assets	5,515	3,584
Contributions by Members	749	785
Contributions by Employer	2,235	2,384
Actuarial Gains / (Losses)	6,671	(17,644)
Benefits Paid	(4,705)	(4,157)
<b>Closing Fair value of Employer Assets</b>	<b>128,634</b>	<b>118,169</b>

## 10.7 Amounts for the Current and Previous Accounting Periods

Year Ended:	31 March 2024	31 March 2023	31 March 2022	31 March 2021
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	128,634	118,169	133,217	123,708
Present Value of Defined Benefit Obligation	(115,386)	(116,015)	(159,542)	(164,251)
Unrecognised Asset Adjustment	<b>(13,405)</b>	(2,318)	-	-
<b>Surplus / (Deficit)</b>	<b>(157)</b>	<b>(164)</b>	<b>(26,325)</b>	<b>(40,543)</b>
Actuarial Gains/(Losses) on Employer Assets	6,671	(17,644)	7,065	19,954
Actuarial Gains/(Losses) on Obligation	4,451	50,098	11,946	(26,782)
Unrecognised Asset Adjustment	(10,978)	(2,318)	-	-
<b>Actuarial Gains/(Losses) recognised in SOCTE</b>	<b>144</b>	<b>30,136</b>	<b>19,011</b>	<b>(6,828)</b>

## 10.8 Employer's contributions for financial year 2023-24 – 19%

## 10.9 McCloud Judgement

In 2023-24, the current service cost includes an allowance for an accruing McCloud liability over the full accounting period.

## 10.10 Guaranteed Minimum Pension Indexation and Equalisation

The accounting approach for 2023-24 is to include a liability for Guaranteed Minimum Pension (GMP) indexation for all members whose state pension age is after the 6 April 2016.

## 11. PROVISIONS – OTHER

PBNI has a recognised provision of £100k in 2023-24 (2022-23: £100k) in relation to possible legal costs relating to a number of legal cases.

## 12. CASH FLOW ADJUSTMENTS FOR NON-CASH TRANSACTIONS

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Depreciation and amortisation charge	1,090	982
Non-cash pension costs	2,416	5,680
Pension provision borrowing cost	(44)	679
Provision expense	-	100
Profit on disposal of non-current assets	(2)	5
	<u><b>3,460</b></u>	<u><b>7,446</b></u>

## 13. LEASES

As explained in Note 1.7, the PBNI adopted IFRS 16 'Leases' from 1 April 2022. PBNI lease contracts are all in relation to Buildings that are used as PBNI operational offices.

### 13.1 Right of Use Assets

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
As at 1 April	1,371	1,794
Additions	196	88
Depreciation expense	(513)	(511)
As at 31 March	<u><b>1,054</b></u>	<u><b>1,371</b></u>

### 13.2 Lease Liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of irrecoverable VAT.

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
<b>Right of use assets</b>		
<b>Buildings</b>		
Not later than one year	338	464
Later than one year and not later than five years	513	678
Later than five years	<u>165</u>	<u>206</u>
	1016	1,348
Less: interest element	<u>(31)</u>	<u>(29)</u>
Present value of lease obligations	<u>985</u>	<u>1,319</u>
Current portion	327	454
Non-current portion	<u>658</u>	<u>865</u>
	<u>985</u>	<u>1,319</u>

### 13.3 Amounts Recognised in Statement of Comprehensive Net Expenditure

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Variable lease payments not included in lease liabilities	-	-
Expense related to short-term leases	183	188
Expense related to low value leases (excluding short-term leases)	<u>-</u>	<u>-</u>
	<u>183</u>	<u>188</u>

### 13.4 Amounts Recognised in Statement of Cash Flow

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Total cash outflows for leases	528	564

## 14. CAPITAL COMMITMENTS

There is the following capital commitment at 31 March 2024:

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Electronic Case Management System	19	-
Total	<b>19</b>	<b>-</b>

## 15. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

At year end, PBNI has contingent liabilities consisting of Six compensation claims, three health and safety claims and three Pre-Action Protocols/Judicial Reviews. While legal proceedings have been initiated or it has been indicated that proceedings may be brought, they have not been provided for in the financial statements as at this stage as these cases are not at a stage where costs can be readily estimated, or payment is not probable.

## 16. RELATED PARTY TRANSACTIONS OUTSTANDING

The Probation Board is a Non-Departmental Public Body sponsored by the DoJ. The DoJ is regarded as a related party for the year 2023-24. During the year, the Probation Board had various transactions with the Department and other entities for which the Department of Justice was regarded as the parent Department, i.e. NI Prison Service as disclosed in Note 4. To capture information on related party transactions, the Probation Board has circularised Members and Senior Management. Due to the nature of the Probation Board's operations and the composition of the Board, it is inevitable that transactions will take place with organisations in which a Member of the Board or Senior Manager may have an interest. All such transactions are conducted at arm's length and in accordance with the Probation Board's policies. The Register of Interests is available on the Probation Board website [www.pbni.org.uk](http://www.pbni.org.uk).

**The following Related Party Transactions occurred during the year:****Board Members**

Mr N Bodger – Mr Bodger was a non-executive member of the Departmental Management Board of the Department for Communities. PBNI rents office premises at Richmond Chambers, Derry / Londonderry from the Department. PBNI paid the sum of £30,972.96 to the Department in 2023-24 in respect of rent and other property overheads. Mr Bodger was not involved in the decision-making process in the lease contract award.

Ms M Brunt – Ms Brunt is an accredited local preacher with the Methodist Church in Ireland. Ballymena Methodist Church received payments totaling £1,295.00 in respect of car park rental in 2023-24. Ms Brunt was not involved in the procurement or any decision-making capacity in the award of this contract.

Dr J Byrne – Dr Byrne was a Senior Lecturer at the University of Ulster, which received payments totaling £4,446.90 for student placements across the financial year. Dr Byrne was not involved in the decision-making process in relation to this income. Dr Byrne is also a board member with Northern Ireland Alternatives, who received grant payments of £17,333.33 in 2023-24. Dr Byrne was not involved in any decision-making capacity regarding the award of grant funding.

Ms C Magee – Ms Magee is a Teaching Assistant at the University of Ulster, which received payments totaling £4,446.90 for student placements across the financial year. Ms Magee was not involved in the decision-making process in relation to this income.

## **17. FINANCIAL INSTRUMENTS: DISCLOSURES**

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Due to the non-trading nature of its activities and the way in which executive Non-Departmental Public Bodies are financed, the Probation Board is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Probation Board has no powers to invest funds and has limited year end flexibility.

Financial assets and liabilities are generated by day to day operational activities and are not held to change the risks facing the Office in undertaking its activities. As permitted by IFRS 7, receivables and payables which mature or become payable within 12 months from the statement of financial position date have been excluded from this disclosure.

### **Liquidity Risk**

The Probation Board's revenue resource requirements are financed by resources voted annually by the NI Assembly, just as its capital expenditure largely is. The Probation Board is not therefore exposed to significant liquidity risk.

### **Interest Rate Risk**

The Probation Board has no loans on which interest is payable and is therefore not exposed to any significant interest rate risk.

### **Foreign Currency Risk**

The Probation Board has no foreign currency income and expenditure is restricted to secondee payments and some other operating costs. It is not therefore exposed to significant foreign currency risk.

## Fair Values

PBNI operates an Assisted Car Purchase Scheme for officers designated as essential car users for the purpose of their post as set out in their terms and conditions for employment and in the Probation Board (Northern Ireland) Order 1982. The book values and fair values of the Probation Board's financial assets and financial liabilities relating to the Assisted Car Purchase Scheme are set out below:

### 18. FINANCIAL ASSETS

	<b>2023-24</b> <b>£'000</b>	<b>2022-23</b> <b>£'000</b>
Balance brought forward	19	20
Additions	17	11
Repayments	(10)	(12)
	26	19
Current assets	14	8
Non- current assets	12	11
	26	19

### 19. EVENTS AFTER THE REPORTING PERIOD

There are no events later than the reporting date to disclose.

### Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 2 July 2024.





**PBNI** Probation Board  
for Northern Ireland

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