

NORTHERN IRELAND PRISON SERVICE  
ANNUAL REPORT AND ACCOUNTS

2009-10

NORTHERN IRELAND  
PRISON  SERVICE



INVESTOR IN PEOPLE



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**ANNUAL REPORT AND ACCOUNTS**

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Northern Ireland Prison Service Annual Report  
and Accounts 2009-10.

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# FOREWORD BY THE DIRECTOR GENERAL



It proved another busy, challenging and difficult year for the Northern Ireland Prison Service (NIPS), though nevertheless nine of the eleven key performance indicators were met, including further reductions in the assaults and cost per prisoner place targets. Moreover average absenteeism by staff dropped by a further two days per person. Of the 30 development objectives, 13 were achieved and 17 achieved, at least in part. Despite the critical events and reports, some very positive developments occurred that bode well for the future.

Regrettably, the shadow cast by the death of Colin Bell in Maghaberry on 1 August 2008 continued. It affected not only that prison but also much of the rest of the Service. The report of the team led by Tony Pearson was published on 9 June 2009. A Governor from Her Majesty's Prison Service (HMPS) took up post, at Maghaberry on secondment, on 20 July, the day before publication of the critical report on the establishment, following the inspection (in January 2009) by the Criminal Justice Inspection of Northern Ireland (CJINI) and Her Majesty's Chief Inspector of Prisons. Unfortunately he returned prematurely to a post in HMPS during December, largely for personal and domestic reasons. Following a recommendation in the Pearson Report published in June 2009 an improvement team, consisting of staff from NIPS and outside it, was established in support of Maghaberry senior management and some significant progress had been made. This was confirmed in the Pearson Team's follow up audit report published on 25 March 2010. The Team also noted the good work being taken forward by the acting Governor.

NIPS Headquarters was restructured with effect from the start of April 2010, with the creation of a fourth directorate, to provide a better focus on the key priorities, including performance management in establishments, the Magilligan replacement and women offenders programmes, implementation of the Offender Management Model, human resources and organisational

development, and financial efficiencies. A new Director of Operations with managerial experience in both the National Offender Management Service (NOMS) and the Scottish Prison Service (SPS) took up post on 7 April.

A prolonged period of withdrawal of goodwill by members of the Prison Officers Association (POA) from February 2009 ended in an agreement in July of that year between the then Prisons Minister on behalf of NIPS and the Area Chairman that led to an independent review of the NIPS Code of Conduct and Discipline, as applied in the cases of Maghaberry staff following Colin Bell's death. The review reported in December. Another period of action by the POA lasted from 15 March to 9 April 2010, during which NIPS gained a court order recognising an undertaking by the POA not to induce their members to take industrial action. That action ended with an agreement that the outstanding appeals by the Maghaberry staff should be heard by an independent panel.

Safer custody remained an important theme for the Service, although sadly there was a further suicide in Maghaberry in August 2009, in the temporary healthcare facility. Two reports were published by CJINI, one on vulnerable prisoners and a later one on mental health across the criminal justice system.

NIPS participated in a seminar held with CJINI in March bringing together criminal justice and health representatives to discuss this issue; Lord Bradley, author of a similar report in England and Wales, made a keynote speech. During the year, the new Supporting Prisoners at Risk (SPAR) process was rolled out across all establishments and many staff received mental health specific training. This initiative is being taken forward by the Service's Vulnerable Prisoner Programme; a joint Service Improvement Board set up with the South Eastern Health and Social Care Trust, which is focussing

on developing healthcare at Maghaberry, where the healthcare facility was refurbished.

During the year a new 120-cell accommodation block, Braid House, was opened in the Mourne complex at Maghaberry. This state of the art facility provides active staff-prisoner engagement and allows for reduced staffing levels. It currently accommodates life-sentenced prisoners. (In the latter part of 2009, a few life-sentenced prisoners whose homes are in the north-west were transferred to Magilligan.)

The Offender Management Model was implemented during the year, with case and sentence managers appointed for each prisoner receiving a public protection sentence at court, under the Criminal Justice (NI) Order 2008. Co-located accommodation was provided for all staff in the Offender Management Units in Hydebank Wood and Magilligan, and a tender was issued to construct a similar facility at Maghaberry.

At Hydebank Wood there were developments in the physical infrastructure to meet better the needs of women, juveniles and young offenders. Gender-specific standards for women prisoners were published. Work was begun in concert with the Youth Justice Agency, the Probation Board for Northern Ireland (PBNI) and the core Department designed to reduce the number of juveniles (or children) at Hydebank Wood and to provide the Youth Justice Agency with a role in their case management.

This is the last annual report for NIPS that will be laid in Parliament, policing and justice having been devolved on 12 April. The Service has been fortunate in the attention and commitment it has received from Prison Ministers in recent years, and I know that is set to continue. Devolution provides the Service with a new context and additional scrutiny. It is a challenge for those, as noted in the Pearson audit, who may resist change. However, it is essential that the Service reaches out to the whole

community that we serve, as we deliver and develop in the new dispensation.

On 9 March 2010, the political parties in Northern Ireland agreed that policing and justice functions should devolve to the Northern Ireland Assembly on 12 April 2010. During the period up to the date of devolution, the Northern Ireland Prison Service complied with the corporate governance and accountability framework arrangements issued by the Northern Ireland Office and also the guidance issued by HM Treasury, including *Managing Public Money*.

The Annual Report and Accounts of NIPS for the year ended 31 March 2010 relate entirely to the period before devolution and will be laid in Parliament. References continue to be made in this report to the Northern Ireland Office as the parent Department during the reporting period. Further details are contained in Note 26. When policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly on 12 April 2010, the Department of Justice was established as a new Northern Ireland Department by the Department of Justice Act (Northern Ireland) 2010.

From this date, NIPS became an executive agency of the Department of Justice. As such, it now complies with the corporate governance and accountability framework arrangements issued by the Department of Justice and also the guidance issued by the Department of Finance and Personnel, including *Managing Public Money Northern Ireland*. The Annual Report and Accounts for years ended 31 March 2011 onwards will be laid in the Northern Ireland Assembly.



**Robin Masefield**  
17 June 2010

# STATEMENT OF PURPOSE, VISION AND VALUES

## STATEMENT OF PURPOSE

The Northern Ireland Prison Service, through our staff, serves the community by keeping in secure, safe and humane custody those committed by the courts; by working with prisoners and with other organisations seeks to reduce the risk of re-offending; and in so doing aims to protect the public and to contribute to peace and stability in Northern Ireland.

## VISION

To be recognised as a model of good practice in dealing with prisoners and to be valued and respected for our service to the community.

## VALUES

- Recognising that the Service requires the **commitment** of us all;
- **Leading** well and behaving with **integrity**;
- Upholding prisoners' **human rights** and working with them as **individuals** to become law-abiding;
- Ensuring that we each have the required **skills** and **competences**;
- Accepting **responsibility** and **accountability**;
- Managing resources, including our time, **cost-effectively**;
- Showing an **innovative** approach to our work;
- **Team working** and acting in **partnership** with other organisations;
- Demonstrating a commitment to **fairness, equality** and **respect** for each other and those we are in contact with.

# REVIEW OF PERFORMANCE 2009-10

## PERFORMANCE AGAINST KEY TARGETS

The Agency's Business Plan for 2009 -10, produced at the beginning of the year, set out the key aims and targets for the Service in the coming year and took account of the Government's priorities. The Service also committed to contribute to PSA Outcome: Make Safer Communities – "tackling crime, reducing re-offending, and increasing public confidence in policing to increase public perception of safety".

The Service met nine of its 11 key performance targets. A comprehensive programme of 30 development objectives was also set for the Service and of these, 13 were achieved and 17 were met, at least in part.

KEY TARGETS	OUTTURN
No escape for category A prisoners*.	<b>Target Met</b> - No escapes.
No more than 3 escapes per 1000 category B, C or D prisoners*.	<b>Target Met</b> - 1 escape in July.
The number of staff assaulted by prisoners is less than a ratio of 2.5 per 100 prisoners.	<b>Target Met</b> Performance at 1.3 %.
The number of prisoners assaulted by prisoners is less than a ratio of 3 per 100 prisoners.	<b>Target Met</b> Performance at 0.6%.
An average of at least 20 hours constructive activity* per week for each sentenced prisoner.	<b>Target Met</b> Achieved 20.6 hours per week.
An average of at least 10 hours constructive activity* per week for each remand prisoner.	<b>Target Met</b> Achieved 13.0 hours per week.
To ensure 87% of prisoners serving six months or more are working to a resettlement plan and that 97% of lifers work to a life sentence plan, including preparation of the plan, within the first six months of sentence.	<b>Target Met</b> Performance at 94.9 % for determinate prisoners and 99.7 % for life sentence prisoners.
Each member of staff should receive an average of 5 training days.	<b>Target Not Met</b> Each member of staff received an average of 4.68 training days.
Reduce the rate of absenteeism to 11 days per head in 2009-10.	<b>Target Not Met</b> The average absenteeism for each member of staff was 12.64 days.
Lay the Annual Report and Audited Accounts before Parliament prior to the summer recess.	<b>Target Met</b> The Annual Report and Audited Accounts were laid in Parliament on 16 July 2009.
Ensure the average cost per prisoner place does not exceed £78,750.	<b>Target Met</b> – The actual cost per prisoner place was £77,831.

\* See Appendix 11 - Definitions

# CHAPTER 1: BUSINESS RESULTS



# CHAPTER 1: BUSINESS RESULTS

## DEVELOPMENT OBJECTIVES 2009 - 10

This section reports on the Service's performance in delivery on the 30 development objectives for the year.

### **Support and contribute to the newly established Ministerial Forum on Safer Custody.**

**Objective Met:** Following the death of Colin Bell, and the subsequent report from the Prisoner Ombudsman, a Ministerial Forum on Safer Custody was established by the then Prisons Minister, Paul Goggins, and met quarterly under his Chairmanship. Safer Custody Branch has fully met this objective in relation to supporting and contributing to the Ministerial Forum.

### **Implement the recommendations of the corporate Safer Custody Strategy Project.**

**Objective Partially Met:** This work has been incorporated into the work streams flowing from the Vulnerable Prisoner Programme Board Action Plan. Work has commenced, however it is anticipated that full implementation will take up to two years.

The new Supporting Prisoners at Risk (SPAR) of suicide and self-harm process has been implemented and a comprehensive child protection framework for the Service launched. The Outline Business Case for REACH<sup>1</sup> and OUTREACH (a day centre facility) has been released for consultation with the South Eastern Health and Social Care Trust. The Vulnerable Prisoner Programme Board was established and the Challenging Anti – social behaviour policy and procedure is being developed with plans for piloting and 'field testing'.

**Establish a prisons offending programme delivery group to provide targets, scheduling and delivery of offending behaviour programmes to meet the sentence plan and risk reduction requirements of those sentenced under the Criminal Justice Order public protection arrangements.**

**Objective Partially Met:** An internal Prisons Programme Group was established in January 2009 and met on 8 occasions. The group established targets and a mechanism for reviewing these on a quarterly basis. A new process, devised by the group, for managing referrals to programmes/interventions, is being piloted to address the management of referrals to programmes.

**Conclude the public consultation on the Strategy for the Management of Women Offenders, in partnership with colleagues in PBNi and Northern Ireland Office (NIO); and begin implementation of the strategy to deliver tailored services and interventions for women offenders, both within the community and in custody.**

**Objective Partially Met:** Delivery of this target was undertaken in partnership with others. The draft Strategy for the Management of Women Offenders was published for consultation in February 2009. A summary of the responses was published in November 2009, and the strategy will be finalised shortly.

In taking forward the custodial strand of the Strategy, the Prison Service is implementing a comprehensive action plan which takes a holistic approach to addressing the specific needs of women prisoners, in partnership with ongoing developments in the community in respect of women offenders.

<sup>1</sup> Reaching out to prisoners through Engagement, Assessment, Collaborative working and a Holistic approach

# CHAPTER 1: BUSINESS RESULTS

**Conclude the public consultation on Gender-specific Standards for Working with Women Prisoners in Northern Ireland; and begin implementation of the standards, including, where necessary, the further development of gender-specific procedures and policies for Ash House to address the complex and multiple needs of this group of women.**

**Objective Partially Met:** Gender-specific Standards for Working with Women Prisoners, as well as a Guide for Staff working with women prisoners were published for consultation on 28 July 2009. The standards were subject to a 14-week period of public consultation, ending on 3 November. 17 responses were received in total, and these were considered with a view to finalising the standards, with the approval of the Minister of Justice, following Devolution.

The draft standards are driving the implementation of a more gender-specific approach to the management of women in custody, including the development of gender-specific policy and procedures for working with women prisoners. Progress to date includes:

- delivery of gender-specific training for staff working with women prisoners;
- a pilot of new, less intrusive, search procedures for women prisoners;
- a First Night DVD for women prisoners;
- a pilot of an Extended Visits Scheme for Mothers and Children;
- the development of a Progressive Regimes and Earned Privileges Scheme (PREPS) policy tailored for Ash House;
- the inclusion of women offenders as a key element of the Resettlement Pathways Model, including the addition of two new pathways to support women who have been abused, raped or who have experienced domestic violence (Pathway 8), and to support those women who have been involved in Prostitution (Pathway 9);
- the continued development of links with the community, in particular a resettlement initiative with the Inspire Project (this PBNI-led project is a key early outcome of the draft Strategy for

the Management of Women Offenders which aims to develop and deliver in the community a new enhanced range of women-specific services which directly contribute to reducing women's offending through targeted community-based interventions); and

- the introduction of limited unescorted movement for women prisoners within Hydebank Wood.

**Have in place procedures and standards for the commencement of conditional early release arrangements supported by electronic monitoring as appropriate.**

**Objective Met:** A Conditional Early Release scheme policy and operating procedures were developed but the decision was taken at Ministerial level, by the then Prison's Minister, Paul Goggins, that the legislative provision of the scheme would not be commenced at this stage.

**Continue to implement the Prison Service Learning and Skills Strategy, focusing on improving quality (and particularly on meeting the standards of the Education and Training Inspectorate's 'Improving Quality: Raising Standards' document), identifying and meeting the specific learning needs of vulnerable groups, such as those with learning disability.**

**Objective Met:** The Learning and Skills strategy 2010-13 is on target. Implementation is ongoing and the key objectives are set out in the associated years 1-3 implementation plans.

**Implementation of the Foreign National Prisoner Strategy 2008-10 to embed recognition across the Service of the distinct needs of foreign nationals and ensure that they have the same access to prison facilities as other prisoners.**

**Objective Partially Met:** Significant elements of the Strategy, primarily language support, are in place and working well. The Strategy will be reviewed during 2010-11 to measure its effectiveness and will be amended as necessary.

***Develop a comprehensive strategy for human rights compliance and promotion across the Service by the end of 2009.***

***Objective Partially Met:*** A major review, which included external assessment by a Governor from the Irish Prison Service on the equality of opportunity afforded to prisoners on the basis of their religion, was conducted. A report entitled 'The Inside View' was published in June 2009. This found no evidence of systemic bias within the Service. However, recorded information is inconsistent, and measures are being taken to address this. In addition, a draft strategy for human rights was prepared and considered by senior managers.

***Produce guidance and a strategy on statutory duty and equality issues to ensure that NIPS is continuing to comply with section 75, including a NIPS Equality Plan.***

***Objective Partially Met:*** The objective of having a NIPS Equality Scheme was reviewed and resisted mid year, however, NIPS remained an integral part of the Northern Ireland Office Equality scheme. NIPS is fully committed to its statutory duties under s75. Guidance and advice to staff on s75 issues was provided throughout the year as required.

# CHAPTER 2: PEOPLE AND DEVELOPMENT



# CHAPTER 2: PEOPLE AND DEVELOPMENT

## DEVELOPMENT OBJECTIVES 2009 - 10

***Establish Offender Management Groups in each establishment, and have staff and managers recruited and fully trained in line with the project implementation plan.***

**Objective Partially Met:** Offender Management Groups were established from April 2009 and in the main staff have been recruited in line with the offender management business case. The groups will be fully in place as the number of prisoners on public protection sentences increases.

***Efficiently and effectively plan for, recruit, and retain the right number of staff at the right grades with the appropriate terms and conditions of employment.***

**Objective Met:** All posts from current recruitment competitions have been filled on a timely basis. Plans are in place to meet vacancies as they occur.

***Develop a competence and behaviour framework for all management grades by March 2010.***

**Objective Met:** The Behavioural Framework was approved in principle by the Prison Service Management Board (PSMB) in March 2010 as part of the Roles and Responsibilities Review Report. PSMB agreed that further work would be undertaken in 2010-11 as part of that year's Business Plan to bring the content of that framework into operation.

***Review the NIPS statement of values and develop a set of behavioural standards to support the values.***

**Objective Met:** This work is being taken forward as part of the Workforce Reform Programme. The existing values are likely to be endorsed and the draft Behavioural Framework has been approved in principle by PSMB.

***Plan for the recruitment of new Main Grade Officers (MGOs), including identifying the skills and competences required and developing a comprehensive training programme.***

**Objective Partially Met:** Initial work has been undertaken but the timetable has been revised, as there are no immediate plans to recruit MGOs due to the need to implement cost reduction measures.

***Finalise the staffing plans and implement the training programme to enhance safer custody, in liaison with the South Eastern Health and Social Care Trust.***

**Objective Partially Met:** A work stream has been commissioned to conduct a full training needs analysis of staff working on the REACH landing in Maghaberry and for those working with offenders with mental health and personality disorders. Plans for the deployment of relevant health care and support staff are continuing.

***Work towards creating a workforce which is reflective of the community that it serves.***

**Objective Met:** A comprehensive diversity strategy is in place which includes specific targets for improving the number of candidates from under-represented groups responding to recruitment campaigns. However, as the level of recruitment is currently low, time will be required to deliver a significant impact. The Service's diversity strategy won a gold award in an external public and private sector assessment.

# CHAPTER 3: EXTERNAL RELATIONS AND STAKEHOLDER INVOLVEMENT



# CHAPTER 3: EXTERNAL RELATIONS AND STAKEHOLDER INVOLVEMENT

## DEVELOPMENT OBJECTIVES 2009 - 10

**Respond to 80% of requests for information under the Freedom of Information Act, the Data Protection Act and the Environmental Regulations within set time limits.**

**Objective Met:** The Service through its Records and Information Management Team achieved a success rate of 98.4% against the 80% target.

**Revise Service Level Agreements/Contracts between NIPS and partner agencies taking account of new operational procedures from the introduction of the Offender Management Model by end 2009.**

**Objective Partially Met:** A revised Service Level Agreement (SLA) between NIPS and PBNi was signed off in-year to take account of the requirements of the new sentencing framework. Progress has been made by Offender Management Groups to identify and review SLAs with other service providers in support of the offender management arrangements.

**Develop and begin to implement an employability strategy in consultation with external partners, by March 2010.**

**Objective Partially Met:** Learning and Skills Branch in Headquarters produced a Learning and Skills Strategy 2010–13. The Branch held discussions in each prison establishment to develop improved partnership working; particularly on delivery of essential skills e.g. literacy and numeracy to assist prisoners gain employment on release. Work is ongoing to fill the vacant Employability Advisor post in Headquarters. Employability is a key target in a review of Learning and Skills services across all establishments as part of the Strategy.

**Develop a Community Chaplaincy Model establishing links with local churches and religious groups, contributing to the prisoner reintegration process.**

**Objective Partially Met:** Lead Chaplains were appointed to each establishment and they held regular meetings with the Chaplains Association. These will in turn inform development and research for the Community Chaplaincy Model.

**Finalise NIPS arrangements for the transfer of policing and justice under the Devolution Programme to the local Assembly.**

**Objective Met:** The Programme for Devolution was a multi-stranded change programme to ensure the readiness of NIPS for the 'Day One' transfer of policing and justice functions. There were a number of project work strands which included records and information management, procurement, corporate identity, Information Technology and communications. All projects were completed on time and NIPS was seamlessly transferred into the Department of Justice when the devolution of policing and justice functions took place on 12 April 2010.

# CHAPTER 4: PROCESSES AND FINANCE



## CHAPTER 4: PROCESSES AND FINANCE

### DEVELOPMENT OBJECTIVES 2009 - 10

**Conclude the tender award process, appoint a main contractor and commence construction of 120 accommodation block and associated buildings at Maghaberry by end 2009.**

**Objective Partially Met:** While the tender documents and Outline Business Case were lodged in May 2009, approval to proceed to tender (outside NIPS) was not granted until later in the year so the contract was not awarded by the end of 2009.

**Develop and agree the outline design brief for Magilligan by February 2010, subsequently preparing a Draft OBC1 by the end of May 2010 and starting the Royal Institute of British Architects (RIBA) Stage C design proposals by 31 March 2010.**

**Objective Partially Met:** NIPS had appointed separately: programme management services; the design team; and business case consultants, by September 2009. The outline design brief was virtually finalised by the end of the financial year. There has been a little slippage in other aspects of the programme.

**Finalise improvements to the Healthcare Unit and the control room facilities at Maghaberry by 31 March 2010.**

**Objective Met:** The control room in Maghaberry was reconfigured with a new video wall and equipment room installed. This facility has been commissioned and is now fully operational.

The Healthcare Unit in Maghaberry was extensively refurbished during the year.

**Provide additional accommodation to meet the needs of the Offender Management Unit across the prison estate.**

**Objective Met:** At Hydebank Wood a new integrated Offender Management Unit building was officially opened on 22 September 2009 and is fully operational. A similar unit opened in Magilligan and provides two classrooms, four offices and Parole Commissioners accommodation, all of which are operational. Plans were well advanced by the end of the financial year, in Maghaberry, for new and enhanced accommodation for a similar integrated unit, and construction work had begun.

**Introduce new custodial functionality on PRISM (Prison Records Information System) by October 2009 and define requirements for supporting the Offender Management Model by end of December 2009.**

**Objective Partially Met:** Interim screens to record key custodial information were implemented on PRISM in June 2009. A scoping study to define the requirements for the offender management module was completed. The completion of changes to the custodial functionality was delayed by factors outside NIPS and is now planned to go live in autumn 2010.

**Complete a technical update of PRISM by 31 March 2010.**

**Objective Partially Met:** Progress on the implementation of the technical refresh was well advanced, although it had not been fully achieved by the year-end.

**Design and develop the revised Corporate File Plan by March 2010.**

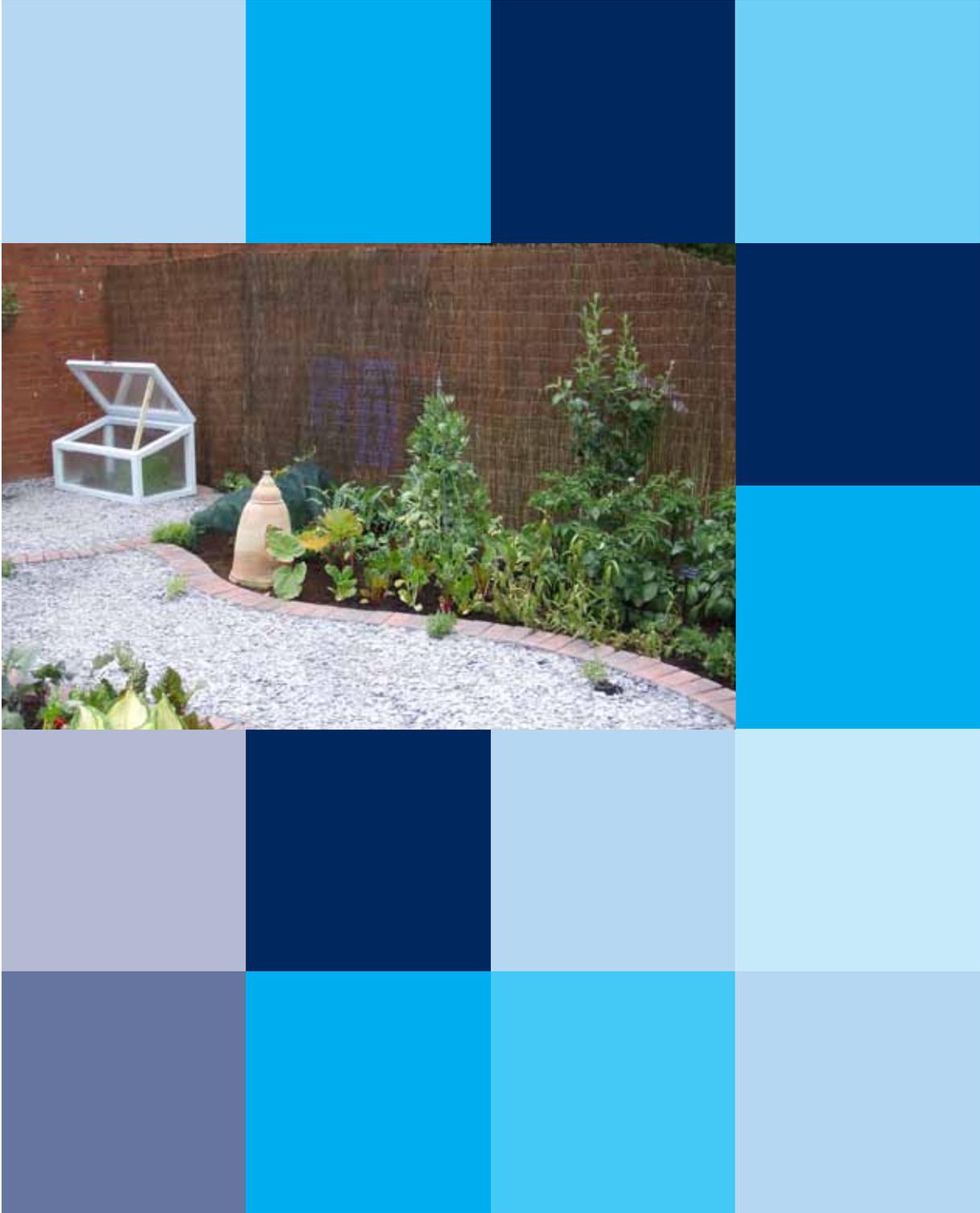
**Objective Met:** A new classification and folder structure was developed in conjunction with main Branches and was in place in advance of the devolution of policing and justice functions.

## CHAPTER 4: PROCESSES AND FINANCE

***Complete necessary changes to Prison Rules by autumn 2009.***

**Objective Met:** Extensive changes were completed by late in 2009 and came into effect on 1 February 2010. The main changes included streamlining the complaints system, mandatory drugs testing, updating the healthcare provisions and the introduction of minor reporting (as an alternative for younger offenders of the main disciplinary provisions contained in the rules).

CHAPTER 5:  
REVIEW OF YEAR



## CHAPTER 5: REVIEW OF YEAR

This chapter contains a note on developments during the year. Where practicable, they have been grouped under headings to aid the reader.

### THE BUILT ENVIRONMENT

There were notable improvements to the estate during the year with more than 100 projects having been undertaken. These were achieved with a capital budget of £10.4 million (inclusive of VAT). A sample of the projects undertaken are summarised below:

#### **Braid House, Maghaberry**

Braid House, a new 120-cell block in the Mourne complex, was formally opened in February 2010, although the first inmates moved into it in December 2009. This, along with the upgrade of the gymnasium and education facilities has provided an increase in accommodation in the Mourne complex from 60 to 180 inmates.

#### **140-Cell Accommodation, Maghaberry**

In line with the Ministerial announcement of 18 December 2007 the final phase of the cellular development strategy has been advanced. Designs were completed and tenders obtained for an additional 140 cells at Maghaberry. The new accommodation will offer improved lines of sight and enhanced management capabilities by facilitating eating and association on the central landing area. The new build will provide safer cell furniture, anti-ligature windows, in cell sanitation and enhanced fire safety measures together with specialist cells provision (observation cells, and cells for listeners and the disabled).

#### **Healthcare, Maghaberry**

Major improvements have been made to the existing healthcare facilities. The upgraded facilities now include four observation cells, five in-patient beds all with dedicated bathroom facilities and the creation of new in-patient low-mobility provision. A new nurses' station and improved CCTV coverage and recording facilities have also been provided.

#### **Improved Control Room, Maghaberry**

Improvements have been made to the existing control room facilities. These include new workstation provision, installation of a picture wall, touch screen technology and updated digital recording and access control systems.

#### **Upgrades at Hydebank Wood**

A range of measures was taken forward at Hydebank Wood. These included the refurbishment of the existing Juvenile accommodation areas, the provision of a dedicated observation cell, forecourt enhancements and a new multi-purpose astro-turf sports pitch.

#### **New Healthcare Facility at Magilligan**

A new dental unit has been provided, in close proximity to the accommodation blocks, which has replaced the original modular building. This new self-contained facility is situated to complement the new triage room, waiting area, consultation rooms and staff offices.

## CHAPTER 5: REVIEW OF YEAR

### **Offender Management Provision**

Several projects were advanced across the prison estate to allow the delivery of the new Offender Management Model under the Criminal Justice (Northern Ireland) Order 2008. Multi-agency offices (housing probation, resettlement teams, psychologists and external support bodies) were created at Hydebank Wood and Magilligan and work commenced on new offices for Maghaberry. In addition, a 12 classroom learning & skills centre is being created inside the original Maghaberry workshops – this has been designed and tendered and will be delivered during the coming year.

### **INSPECTIONS AND REPORTS**

#### **The Pearson Reports**

Following publication of the Prisoner Ombudsman's report in January 2009, the Director General and the then Prisons Minister had asked Tony Pearson and three colleagues to carry out a review of Maghaberry. Their report was published on 9 June 2009. It made a number of recommendations, including bringing in a Governor from outside NIPS, and the creation of an Improvement Team. It proposed a compact should be drawn up between the Governor and the Director General.

An experienced Governor from HMPS took up post on secondment on 20 July, but unfortunately returned to that Service before the end of 2009, primarily for personal and domestic reasons and an acting Governor was placed in charge. A follow-up audit was undertaken by members of the Pearson Team in March, with their report published on 25 March 2010. The team noted some significant developments, but also expressed concern at those whom they concluded might be considered to be opposed to change.

### **Maghaberry Inspection Report**

CJINI in conjunction with Her Majesty's Chief Inspector of Prisons had carried out an unannounced inspection of Maghaberry in January 2009. Their report published on 21 July 2009 made 200 recommendations, 76 of which were repeated from the previous inspection report which was published in 2006. There were 11 main recommendations. The Service published its high-level action plan on the same day, setting out how it would respond to the criticisms and deficiencies identified in the report.

### **Criminal Justice Inspection**

In December 2009, the then Prisons Minister Paul Goggins welcomed the publication of the CJINI Report on the 'Treatment of Vulnerable Prisoners by the Northern Ireland Prison Service'. The inspection, carried out in July and August 2009, assessed progress following the death of Colin Bell in Maghaberry Prison. Of the ten recommendations seven were accepted in full and three in part. NIPS issued a comprehensive action plan to address these issues, on a Service- wide basis, published on the website.

## CHAPTER 5: REVIEW OF YEAR

### MAGHABERRY IMPROVEMENT PROGRAMME

A substantial programme of work was started at Maghaberry as a result of the recommendations for change by the Pearson Review Team detailed in their report, which was published on 9 June 2009, to address the inspectors' recommendations.

The Improvement Team which was set up by the autumn will work in conjunction with Maghaberry Senior Management Team to implement changes and improvements at Maghaberry over the next three years to ensure it is an effective, decent and efficient prison which meets well-articulated operating procedures and agreed performance targets, within the available budget.

A 'Compact' (see Appendix 11 - Definitions) was signed in January between the Director and the Governor of Maghaberry which sets out the change programme and commits Maghaberry's Governor, Maghaberry Senior Management and Improvement Teams and Prison Service Headquarters Senior Management Team to a vision and set of principles to guide how the change programme will be implemented. It is aimed to ensure the needs of prisoners are the primary focus of the business.

In March, the Pearson Team returned to Maghaberry to review the progress that had been made since their report was published. Their Audit Report published on 25 March noted some significant progress though there remained much to be done in what they considered a three-year programme.

### INTRODUCTION OF OFFENDER MANAGEMENT POLICIES

In November, the then Prisons Minister Paul Goggins announced the start of a consultation on new offender management policies developed by NIPS. The new offender management process was introduced to meet the requirements of the Criminal Justice (NI) Order 2008 and is central to the way in which the Prison Service will support the progression of sentenced prisoners in the criminal justice system. This new policy sets out the arrangements for offender management in Northern Ireland, the procedures which will support it and operational standards.

The new sentencing framework was introduced to enhance public protection and brought together the strengths of the previous processes: resettlement planning and case management. Key aspects included the designation of a Case Manager (Probation Officer) and a Sentence Manager (Prison Officer), to work with the offender from the point of sentence to release. This new multi agency approach focuses on robust risk assessment and reduction of risk through structured sentence planning.

# CHAPTER 5: REVIEW OF YEAR

## THE NORTHERN IRELAND PRISON SERVICE EFFICIENCY PROGRAMME

As part of the Department's Efficiency Programme and the need for the Service to make substantial efficiency savings throughout the three year period of the 2007 Comprehensive Spending Review and beyond, three main efficiency projects were identified to ensure that substantial savings could be made within the Service without a significant detrimental impact on the achievement of operational objectives.

The target savings over the 3 years from 2008-09 to 2010-11 is £11.2m, with a target allocation of £9.3m by the end of 2009-10 year. Actual savings of £9.7m were achieved by the end of 2009-10.

The three main strands were:

- reduction of the Target Staffing Level (TSL) by 10% (at 1 April 2007);
- introduction of Operational Support Grade (OSG) staff to release Main Grade Officers (MGOs) from roles which do not require the full range of prison officer skills;
- bringing the Prisoner Escorting and Court Custody Service (PECCS) fully in-house and recruiting a complement of Prisoner Custody Officers (PCOs) to take over the staffing of PECCS from MGOs.

### TARGET STAFFING LEVEL

The reduction was applied across the Service by reducing by 10% the complement for uniformed staff in each establishment. This was delivered by cutting back the number of hours worked in each establishment. The process for reducing the TSL at each establishment included the formation of a Local Implementation Team (LIT) to identify where the work could be trimmed by the required amount.

## OPERATIONAL SUPPORT GRADES

The replacement of MGOs in certain roles by OSGs provides an estimated saving of up to £20k for each OSG recruited. Over 140 OSGs have been recruited and a further 160 will be recruited, as required, to replace natural wastage among MGOs.

## PRISONER ESCORTING AND COURT CUSTODY SERVICE

PECCS is now operational, with a full complement of Prisoner Custody Officers. The Main Grade Officers have all been redeployed back to work in prison establishments.

## VISITORS SURVEY

In April 2009, NIPS published the results of an independent survey of visitors, carried out in each prison establishment over the course of a five-day period in November 2008. Of the 316 visitors interviewed about the visiting arrangements, almost 80% rated them as satisfactory or very satisfactory. The quality of information received by visitors was described as good or very good by 78.5%, and 73% rated the booking system as good or very good.

The then Prisons Minister Paul Goggins stated that even though the results showed a high level of satisfaction with the visiting arrangements, there was always scope to enhance the service being provided. He commented:

"This work will be underpinned by a new NIPS Family Policy which is nearing completion. It will set out the commitments that prison establishments will give to families when they engage with the Prison Service and will set out minimum standards required of both the service and the families of prisoners."

## CHAPTER 5: REVIEW OF YEAR

### PRISONER HEALTHCARE

Prisoner Healthcare has been the responsibility of the South Eastern Health and Social Care Trust since April 2008. Partnership arrangements have developed effectively during the year, especially with the formation of a Service Improvement Board, focussed on Maghaberry. In agreement with the target, NIPS recruited a new cadre of Healthcare assistants by the end of the financial year.

### SWINE FLU

Pandemic Flu committees were set up within each establishment to address any potential outbreaks of swine flu. A number of measures were introduced to minimise its effects. These included: the installation of hand gel dispensers; obtaining stocks of antivirals to treat prisoners; and stocks of personal protection equipment to protect healthcare and operational staff. Additionally, guidelines were put in place for members of staff and revised Human Resource policies were put in place to deal with any outbreaks.

A swine flu section was also placed on the NIPS Intranet to provide information, revised policies and protocols for healthcare staff.

### NON-EXECUTIVE DIRECTORS APPOINTED TO PSMB

Ruth Laird resigned from PSMB on 16 January on taking up appointment as a Parole Commissioner. Phil Wheatley CB, the current National Offender Management Service (NOMS) Director General became a Non Executive Director on the same date, and Patricia Gordon, Chief Executive of Multiple Sclerosis (NI) was appointed on 25 February.

### BUTLER TRUST AWARDS AND ROBIN HALWARD BURSARY

The UK wide Butler Trust Award recognises outstanding dedication, skill and creativity on the part of those working in correctional settings across the United Kingdom. The Robin Halward Bursary is an annual NIPS award to staff judged to have done the most to promote resettlement and reintegration through active engagement with prisoners.

A reception was hosted in Hillsborough Castle in October 2009 to recognise the achievements of Prison Service staff. Twenty-one staff were nominated for the Butler Trust awards of which three were award winners. There were eighteen Robin Halward Bursary nominees including four award winners. The then Prisons Minister praised the achievements of staff, noting that the wide range of people being recognised across many disciplines showed the diverse work taking place in prisons on a daily basis.

### OCCUPATIONAL SUPPORT and HEALTH AND WELL-BEING

As part of the Service's Health and Well-being Strategy NIPS is committed to maintaining and promoting a culture of both protecting the health and well-being of staff and optimising opportunities to help improve their own health and well-being by encouraging the adoption of healthier lifestyles. To achieve these aims a number of initiatives and health promotion events were undertaken in 2009-10:

- Lunchtime seminars on men's health issues were facilitated by Action Cancer across all establishments during Men's Health Week in June 2009.
- The Action Cancer Big Bus visited all NIPS establishments and appointments were available to staff for digital mammography; MOT Health Checks; Cholesterol, Skin scanner analysis and lifestyle awareness; complementary therapies and "listening ear".

## CHAPTER 5: REVIEW OF YEAR

- Health and well-being road shows were held in all establishments where advice and information on healthy lifestyles was provided by representatives from a range of organisations including the Chest Heart and Stroke Association, the Ulster Cancer Foundation, Diabetes UK and the Public Health Agency.
- The Road shows also provided an opportunity for staff to have a personal health assessment by appointment, a complementary therapy taster session, a facial skin scan and spinal check assessment.
- Health promotion articles on the range of health issues outlined in the NIPS Wellbeing Calendar were published regularly on the NIPS Intranet with a simultaneous leaflet and poster drop at each prison establishment.
- Under the auspices of the Working Group on Managing Stress (WGoMS) staff surveys were carried out on stress and well-being. The findings of these surveys will help inform the development of a stress management action plan and stress policy.
- A confidential disability survey was undertaken in 2009 and in direct consequence a Disability Helpline facilitated by Employers for Disability NI was launched for all staff providing all employees with access to advice on best practice regarding disability issues.

### PRISON SERVICE STRIKE GOLD IN VANCOUVER

A member of NIPS staff won a gold medal in the 100m breaststroke, with a personal best time of 1 minute 10.43 seconds, at the World Police and Fire Games, held in Vancouver, in August. There to congratulate him were Prison Service Director Robin Masefield, Culture, Arts and Leisure Minister Nelson McCausland and former Olympic gold medallist Dame Mary Peters.

### KOESTLER EXHIBITION

Northern Ireland prisoners again won two first prizes and received more than 29 awards in a prestigious UK-wide competition for prison arts. Artwork from Maghaberry, Magilligan and Hydebank Wood was among 150 original pieces on display at the Royal Festival Hall in London's Southbank Centre. The Northern Ireland Prison Service submitted more than 100 pieces from a wide range of disciplines including painting and drawing, creative writing, film, pottery, music, needlework, photography and sculpture. In total, Maghaberry received seventeen awards and Hydebank Wood twelve awards.

### GARDEN FESTIVAL

A sustainable garden, designed and built by staff and inmates from Maghaberry Prison, won a Silver Award in the Garden Festival at Hillsborough Castle on 9 June 2009. Named Bountiful Garden, it contained around 80 varieties of fruit, vegetables and herbs and picked up the prize in the prestigious Show Garden category of the festival. Announcing the winners of the Show Garden category, Cherry McIlwaine, the presenter of BBC Radio Ulster's Gardeners' Corner, said that the exhibit reflected the need to revisit how to design gardens during difficult economic times.

This was the second year that Maghaberry Prison had entered and won a prize, last year picking up a bronze award.

## CHAPTER 5: REVIEW OF YEAR

### FROM BARS TO STRINGS AT MAGHABERRY

In May 2009, prisoners in Maghaberry were treated to a music recital called “The Naked Violin” by the internationally renowned English violinist Tasmin Little. During the hour-long session Tasmin demonstrated the versatility of the violin by playing a variety of classical works as well as the haunting theme tune from “Schindler’s List” by John Williams.

One of the inmates said he was impressed with how passionate Tasmin was about playing the violin and he added that it was an honour and privilege to listen to such beautiful live music.

### PRISON SERVICE TRUST OFFICE

In June, Paul Goggins formally opened the Prison Service Trust’s new office in Coleraine. The Drop-In Centre, which serves clients in the Northwest, is manned by retired staff on a voluntary basis.

### KUNG FU CHAMP – TAMES THE TIGER

A former Kung Fu World Champion and prison inmate turned evangelist, Tony Anthony, a three times world martial arts champion, spoke to inmates in Maghaberry, Magilligan and Hydebank Wood Prisons about his amazing life. Tony, who trained in China, was an elite bodyguard in Europe and a prisoner in the Nicosia Central Prison in Cyprus. He described how his life had hit rock bottom and how it changed when he became a Christian and led to his subsequent formation of Avanti Ministries, a worldwide organisation working to spread the gospel amongst the military, youth, sport and prisons in 80 countries.

Tony showed an inspirational DVD and left copies of his book “Taming the Tiger”.

CHAPTER 6:  
CORPORATE  
SOCIAL RESPONSIBILITY



## CHAPTER 6: CORPORATE SOCIAL RESPONSIBILITY



The Northern Ireland Prison Service is committed to sound Corporate Social Responsibility (CSR) policies and practices and has many achievements in this area. The Service regards CSR as a sustainable approach to its business that benefits stakeholders, employees, communities and the environment. The Service is committed to increasing engagement with wider society. Specifically it is also committed to operating in a socially, economically and environmentally responsible manner to make a positive impact on society and the environment whilst maximising value for its stakeholders.

The Service focuses on issues such as safety, training and the provision of opportunities for our employees' career growth and development.

### ENERGY CONSERVATION

Maghaberry Prison is a major consumer of electrical energy, and electricity consumption continued to rise due to the development of the estate with both Braid House and the opening of a new kitchen in 2009.

During the year the Maghaberry Trades Department introduced a number of efficiency measures to compensate for the increase in consumption. A notable reduction in energy cost was achieved during the year by changing over to energy efficient lighting, reducing lighting, installing sensors, and removing hot water boilers in some areas.

A wind monitoring feasibility study, which started in January 2009, continued through the year. Preliminary indications are positive and the energy data collected will inform a decision on the planned installation of a wind turbine at the site.

Heating and ventilation is controlled within the Estate by means of a computerised Building Energy Management System (BEMS). Maghaberry trades staff assisted the BEMS contractor to modify and update the system which helps to manage and monitor energy consumption more efficiently and reduce gas and oil consumption.

Two battery powered electric works trucks have been purchased for use by Maghaberry and Magilligan and are used solely on site to transport a variety of items. The trucks are charged every couple of days and because there are no engines, there are no fuel emissions, waste oil or filters to be disposed of. These vehicles have furthered the aim of developing sustainable transport with good local environmental control by reducing fossil fuel usage.

### WASTE MANAGEMENT

In line with the Government's sustainability policy, Maghaberry Prison continued its efforts to reduce the amount of waste being disposed into landfill sites. Recycling bins were installed in all areas and prisoners have been involved in work to recycle prison waste. 21 tonnes of cardboard, 4.5 tonnes of plastic and newspapers were sent out of the prison to be recycled and 25 bins of clinical waste were safely disposed of at the in-house clinical waste disposal unit at Antrim Area Hospital. The Salvation Army also benefited by receiving 13 bins of prisoners' clothing for recycling. Magilligan Prison has a dedicated recycling workshop which was recognised with a prestigious in-service award. It provides valuable employment for prisoners, and the scope for linkage with employment and qualifications on release will be further explored.

# CHAPTER 6: CORPORATE SOCIAL RESPONSIBILITY

## VOLUNTARY AND CHARITABLE WORK

During the year, staff and prisoners were involved in many projects in partnership with a number of charities and voluntary organisations which made a positive impact on the community. Some examples of this work are as follows:

- Staff and inmates at Maghaberry Prison raised £5,000 for Guide Dogs NI to pay for the first puppy to be trained in Northern Ireland. There are approximately 90 guide dogs in Northern Ireland, but around 4,000 people trapped in their homes who could benefit from having a well-trained canine companion. The money was raised by the sale of hanging baskets, Christmas wreaths and floral decorations created in the prison garden.
- Some of the Women's Forum members took part in the first Business in The Community 'Fix Up Friday-Volunteering Event' as part of their corporate responsibility week in October. The Service put forward a team of six staff who took part in a clearing exercise at Mountstewart, National Trust property on 9 October 2009 in partnership with teams, and other employers in Northern Ireland including: Tughan Solicitors; NI Funeral Services; and PricewaterhouseCoopers.
- On 30 October staff at NIPS HQ joined other employees across the UK by organising a fund-raising coffee morning during 'Wear it Pink' day which is a fun and easy way to donate to, and campaign for breast cancer research to improve chances of survival for thousands of women undergoing treatment and move a step closer to beating breast cancer. Breast Cancer Campaign uses all 'wear it pink' donations to fund innovative, world-class research throughout the UK and Ireland to understand how breast cancer develops, leading to improved diagnosis, treatment, prevention and cure. NIPS received a certificate of appreciation for making an outstanding contribution to the work of Action Cancer by raising almost £350 during the event.
- At the annual HQ Diversity Event on 18 December, Prison Service staff were asked for a donation for NSPCC as a cover charge for the event. In addition, in partnership with colleagues in the Department a Diversity Event was organised in the Stormont Estate with a theme of 'giving'. Help the Aged, the Simon Community and the Departmental Diversity Network groups each had an information stand offering advice and support to staff. The theme of the event was 'giving at Christmas' and staff donated at the 'giving table' for children in need across Northern Ireland. The gifts were later distributed through the Salvation Army and St. Vincent de Paul.

# APPENDICES

## APPENDIX 1 PRISON POPULATION 2009-10

### NUMBER OF PRISONERS HELD

Establishment	Number of prisoners held		
	Lowest	Highest	Average
Magilligan	390	470	421
Maghaberry	709	883	805
Hydebank Wood			
• All young males	147	203	178
• Young Offenders	133	185	162
• Juveniles	10	23	16
Hydebank Wood Prison Females	30	57	44

### NUMBER OF PRISONERS HELD OVERALL

Number of prisoners held overall	2009-10	2008-09
Lowest	*1,336	*1,292
Highest	*1,542	*1,580
Average	1,449	1,492

\* The totals of highest and lowest recorded prison population figures differ from the sum for individual prison establishments due to differences in the time period when high and low numbers were recorded.

# APPENDICES

## APPENDIX 2 AVERAGE PRISON POPULATION BY TYPE OF PRISONER 2009-10

	REMANDS	SENTENCED TO IMMEDIATE CUSTODY	FINE DEFAULTERS	IMMIGRATION DETAINEES	TOTAL
MALE	471	908	21	4	1404
FEMALE	21	22	2	0	45
TOTAL	492	930	23	4	1449

## TOTAL PRISON RECEPTIONS 2009-10

	REMANDS	FINE DEFAULTERS	SENTENCED TO IMMEDIATE CUSTODY	IMMIGRATION DETAINEES	TOTAL
MALE	2346	1635	1355	65	5401
FEMALE	120	143	28	9	300
TOTAL	2466	1778	1383	74	5701

# APPENDICES

## APPENDIX 3 RECEPTIONS BY SENTENCE LENGTH 2009-10

	MALE	FEMALE	TOTAL	% of Total
Fine defaulters	1635	143	1778	56.3 %
<b>Immediate custody</b>				
<= 3 months	371	9	380	12.0%
> 3 months and <= 6 months	287	4	291	9.2%
> 6 months and <=1 year	269	4	273	8.6%
> 1 year and <= 2 years	152	7	159	5.0%
> 2 years and <= 3 years	98	3	101	3.2%
> 3 years and <= 4 years	47	0	47	1.5%
> 4 years and <= 5 years	36	0	36	1.1%
> 5 years and <= 10 years	44	0	44	1.4%
> 10 years – less than life	19	0	19	0.6%
Life and SOSP	31	1	32	1.0%
Indeterminate sentence	1	0	1	0.1 %
Total immediate custody	1355	28	1383	43.7%
<b>Total sentenced</b>	<b>2990</b>	<b>171</b>	<b>3161</b>	<b>100.0%</b>

# APPENDICES

## APPENDIX 4 SENTENCED RECEPTIONS (IMMEDIATE CUSTODY) BY OFFENCE 2009-10

OFFENCE CATEGORY	MALE	FEMALE	TOTAL	% of Total
Violence against the person	384	16	400	28.9%
Sexual offences	73	0	73	5.3%
Burglary	150	1	151	10.9%
Robbery	57	0	57	4.1%
Theft	151	4	155	11.2%
Fraud and forgery	50	1	51	3.7%
Criminal damage	62	1	63	4.6%
Motoring offences	110	1	111	8.0%
Drug offences	102	2	104	7.5%
Other offences	216	2	218	15.8%
<b>TOTAL</b>	<b>1355</b>	<b>28</b>	<b>1383</b>	<b>100%</b>

# APPENDICES

## APPENDIX 5 OFFENCES UNDER PRISON RULES AND AWARDS MADE 2009-10

	MAGHABERRY	MAGILLIGAN	HYDEBANK WOOD Young Offenders Centre	HYDEBANK WOOD PRISON (Female)	TOTAL
<b>OFFENCES</b>					
Violence	150	32	133	20	335
Damage to property	103	15	111	8	237
Trafficking or possession of prohibited articles	198	180	207	21	606
Other breaches of regulations	552	225	330	59	1166
<b>Total offences</b>	<b>1003</b>	<b>452</b>	<b>781</b>	<b>108</b>	<b>2344</b>
<b>PENALTIES</b>					
Cellular confinement	455	277	124	13	869
Loss of privileges	4829	338	412	52	5631
Loss of earnings	337	8	19	4	368
Loss of remission	0	0	0	0	0
Warning/ caution	57	60	60	13	190
<b>Total penalties</b>	<b>5678</b>	<b>683</b>	<b>615</b>	<b>82</b>	<b>7058</b>

# APPENDICES

## APPENDIX 6 PRE-RELEASE HOME LEAVE APPLICATIONS 2009-10

The Pre-Release Home Leave Scheme is designed to prepare the prisoner for return to the community and enables eligible prisoners nearing the end of their sentences to take a number of periods of temporary release prior to their final discharge from prison.

	MAGHABERRY	MAGILLIGAN	HYDEBANK WOOD YOUNG OFFENDERS	HYDEBANK WOOD PRISON (Female)	TOTAL
Applications received	319	1814	246	64	2443
Successful applications	261	1398	211	60	1930
% successful	82%	77%	86%	94%	79%

## APPENDICES

### APPENDIX 7 SELF-INFLICTED INJURIES AND DEATHS IN CUSTODY IN THE LAST FIVE YEARS

During the reporting year 190 incidents of self-harm were reported under incident reporting arrangements. 686 SPARs were opened during the year. From April 2009 all acts of self-harm however minor are centrally collated in order to identify patterns and trends.

#### SELF-INFLICTED DEATHS IN CUSTODY IN THE LAST FIVE YEARS

YEAR	NUMBER OF SELF-INFLICTED DEATHS
2005-06	0
2006-07	1 and *
2007-08	**
2008-09	***
2009-10	****

06/07

\* 1 death in custody awaiting inquest not included

07/08

\*\* 2 deaths in custody awaiting inquest not included

08/09

\*\*\* 3 deaths in custody awaiting inquest not included.

09/10

\*\*\*\* 1 death in custody awaiting inquest not included.

# APPENDICES

## APPENDIX 8

### NUMBERS AND RECRUITMENT - RECRUITMENT AND SELECTION CODE OF PRACTICE

The Northern Ireland Prison Service has systems in place to ensure that selection for appointment is made in accordance with the Civil Service Commissioners for Northern Ireland Recruitment Code.

All applicants are considered systematically against the organisation's recruitment practices and in line with published suitability criteria. The recruitment systems are evaluated on a regular basis to ensure they meet with the Commissioners' guidelines and are in line with best practice as recommended by the Chartered Institute of Personnel and Development and the Equality Commission.

Three appointments were made under Regulation 3 of the Commissioners' General Regulations.

The statistical summary below outlines applicants' religious affiliation and gender for the following recruitment campaigns: Healthcare Assistants, Temporary Assistant Cooks, Senior Psychologist, Higher Psychologist, Cook Administrator, Director of Operations and Kennel Assistants which were advertised by the Prison Service during the period of this report.

The statistical summary also outlines the religious affiliation and gender of those appointed during the period of this report.

	TOTAL NUMBER OF APPLICANTS BETWEEN (1/04/09 – 31/03/10)
<b>RELIGIOUS AFFILIATION</b>	
Protestant	126
Roman Catholic	36
Non determined	17
<b>TOTAL</b>	<b>179</b>
<b>GENDER</b>	
Male	70
Female	109
<b>TOTAL</b>	<b>179</b>

The 179 applicants detailed above relate to 7 recruitment competitions advertised between 1 April 2009 and 31 March 2010 from which appointments for 3 of those competitions have been made at 31 March 2010.

	TOTAL NUMBER OF APPOINTMENTS MADE BETWEEN (01/04/09 – 31/03/10)
<b>RELIGIOUS AFFILIATION</b>	
Protestant	40
Roman Catholic	10
Non determined	2
<b>TOTAL</b>	<b>52</b>
<b>GENDER</b>	
Male	22
Female	30
<b>TOTAL</b>	<b>52</b>

Of the 52 appointments made 76.9% relate to recruitment campaigns commenced prior to 1 April 2009, within the figure of 76.9% the proportions were: Protestant 55.8%, Roman Catholic 19.2%, Non Determined 1.9%.

# APPENDICES

## APPENDIX 9 TRAINING DELIVERED 2009-10

	TOTAL NUMBER OF IN-HOUSE TRAINING DAYS
Prison Service College (Central Training)	5531
Maghaberry (In-Service Training)	2406
Magilligan (In-Service Training)	903
Hydebank Wood (In-Service Training)	987
Training delivered by external providers (External Training)	1401
<b>TOTAL</b>	<b>11228</b>
Central Training	5531
In-Service Training	4296
External Training	1401
<b>TOTAL</b>	<b>11228</b>

## APPENDIX 10 NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

### SIX NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

The 1996 Citizen's Charter White Paper announced six national standards that would apply to all Departments and Executive Agencies from 1 April 1997. The standards and the Northern Ireland Prison Service's performance against them are outlined below:

#### 1. ANSWER LETTERS QUICKLY AND CLEARLY

Based on the number of letters received during four two-week sampling periods, the volume of correspondence received during 2009-10 worked out at 2769. Of letters requiring a reply, 97.8% of those sampled were responded to within the 15 working days target. No reply was required to 15.7% of the total correspondence received.

#### 2. SEE PEOPLE WITHIN 10 MINUTES OF ANY PRE-ARRANGED TIME FOR APPOINTMENTS AT THE AGENCY'S OFFICE

Given the nature of the work of the Prison Service, very few appointments fall into this category. Monitoring would suggest that this standard is being met.

#### 3. ANSWER TELEPHONE CALLS QUICKLY AND HELPFULLY

The Prison Service has established an enquiry point with text facilities for the public and records indicate that all queries were answered within the target time. During 2009-10 there were 1210 enquiries to this line.

The Prison Service provides a dedicated prisoner booking service line to arrange either domestic or legal visits. An on-line booking service has also been introduced.

#### 4. GIVE USERS CLEAR INFORMATION ALONG WITH TELEPHONE AND E-MAIL ENQUIRY POINTS

The Prison Service Charter Statement is available in all establishments and sets out operational and

service standards. The Charter Statement can be viewed on the Prison Service website – [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk).

Information about services is provided in the Corporate and Business Plan and the Annual Report, which are both publicly available documents. Additionally, there is a half page entry in the telephone directory, which gives numbers for prison establishments and headquarters. A public enquiry point with text facility has been established which is supported by material prepared for dissemination to the public. The Prison Service has established its own E-mail enquiry point: [info@niprisonservice.gov.uk](mailto:info@niprisonservice.gov.uk).

#### 5. HAVE A COMPLAINTS PROCEDURE (OR PROCEDURES) WHICH SHOULD BE SENT TO THE PUBLIC ON REQUEST

A Statement of Charter Standards for Visitors is available in all establishments. A revised complaints system was introduced in February 2010 and a new complaint booklet, detailing how visitors can make a complaint, is available from the Visitors' Centres, Visitors' Reception or any Family Support Officer. A short leaflet explaining the procedure is also available at these locations, or from any member of prison staff. The Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO) and the Ulster Quaker Service Committee also offer assistance. If a visitor is still dissatisfied following receipt of a response, they can forward their complaint to the Prisoner Ombudsman.

#### 6. CONSULT USERS AND MAKE SERVICES ACCESSIBLE TO EVERYONE (INCLUDING PEOPLE WITH SPECIAL NEEDS)

During 2009-10, three public consultations took place as follows:

- Gender Specific Standards for Working with Women Offenders (July 2009);
- Family Strategy (July 2009);
- Offender Management (Nov 2009).

# APPENDICES

## APPENDIX 10 NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

### CORRESPONDENCE RECEIVED

Category of correspondence	Number received Year ended 31 March 2010
Letters for Ministerial reply	51
Letters for Director's reply	19

### PARLIAMENTARY QUESTIONS

	Number received
Year ended 31 March 2008	129
Year ended 31 March 2009	135
Year ended 31 March 2010	144

# APPENDICES

## APPENDIX 11 DEFINITIONS

### APPROVED OR ACCREDITED ACTIVITIES

Any activities and/or programmes, which have been verified by an internal approval panel or external accreditation body.

### AN ASSAULT

When the victim has sustained an injury resulting in his/her death, or his/her detention in an outside hospital as an inpatient, or any of the following injuries whether or not detained in hospital: fractures, concussion, internal injuries, crushing, severe cuts or lacerations, severe bruising, burns or scalds, or severe general shock requiring medical treatment.

### CERTIFIED ACCOMMODATION

Accommodation which meets the Prison Service's own measurable standards for the provision of good decent accommodation for the secure and humane confinement of persons who have been given into custody by the courts.

### CONSTRUCTIVE ACTIVITY

All pursuits that play a part in the enhancement of the individual's skills, knowledge, attitudes and behaviour, or contribute to the reduction in the likelihood of re-offending (and including attendance at court).

Remand prisoners are not required to work but are given reasonable opportunity for access to purposeful activities including education and library books.

For separated prisoners; time out of cell will count as constructive activity.

### COMPACT

An agreement or contract between two or more parties.

### PRISONER

Any person who has been committed to a prison or young offenders centre by the courts.

### CATEGORY A PRISONER

A prisoner whose escape would be highly dangerous to the public or the police or the security of the state, no matter how unlikely that escape might be, and for whom the aim of the Prison Service must be to make escape impossible.

### CATEGORY B PRISONER

A prisoner for whom the very highest conditions of security are not necessary, but for whom escape must be made very difficult.

### CATEGORY C PRISONER

A prisoner who cannot be trusted in open conditions, but who does not have the resources or the will to make a determined escape attempt.

### CATEGORY D PRISONER

A prisoner who can be reasonably trusted in open conditions.

### DIFFICULT PRISONER

A prisoner who is constantly disruptive and presents a threat to the safety of staff and others.

### REGIME

The regime describes the activities, opportunities and privileges available to prisoners on a daily basis.

### RESETTLEMENT PLAN

A plan developed during induction, based on the assessment of a prisoner's needs that will address factors associated with offending and increase the likelihood of not offending on release.

### RESETTLEMENT STRATEGY

A joint NIPS/PBNI policy that addresses the following issues: offending behaviour; addictions; accommodation and community; education and employment; lifestyle and health.

### SEPARATED CONDITIONS

A regime in which loyalist and republican prisoners with paramilitary affiliations apply for and if approved are accommodated separately from each other, and from the rest of the prison population for safety reasons for both prisoners and staff, and where the staff remain firmly in control.

# APPENDICES

## APPENDIX 12

### FREEDOM OF INFORMATION AND DATA PROTECTION METRICS – JANUARY TO DECEMBER 2009

#### 1. FREEDOM OF INFORMATION ACT 2000

##### SUMMARY OF CASES RECEIVED - JANUARY TO DECEMBER 2009

Total no of requests received.	Total number responded to within 20 days		Total number responded to outside 20 days			Current position
	Total number answered on time		Exemptions or late-closed		Late or outstanding	
253	249 (98.4%)		4		0	N/A

#### 2. DATA PROTECTION ACT 1998

##### SUMMARY OF CASES RECEIVED - JANUARY TO DECEMBER 2009

Total no of requests received.	Number of cases closed within 40 days	Number of cases late and ongoing	Comments
197	197 (100%)	0	N/A

#### 3. PERCENTAGE OF TOTAL REQUESTS RECEIVED ANSWERED WITHIN TIME LIMIT

- **99.2%**

# APPENDICES

## APPENDIX 13

### ADDRESSES AND CONTACT NUMBERS

#### PRISON SERVICE HEADQUARTERS

Dundonald House  
Upper Newtownards Road  
BELFAST  
BT4 3SU

**Telephone: (028) 9052 2922**

#### PRISON SERVICE COLLEGE

Woburn House  
MILLISLE  
Co Down  
BT22 2HS

**Telephone: (028) 9186 3000**

#### MAGHABERRY PRISON

Old Road  
Ballinderry Upper  
LISBURN  
Co Antrim  
BT28 2NF

**Telephone: (028) 9261 1888**

#### MAGILLIGAN PRISON

Point Road  
LIMAVADY  
Co Londonderry  
BT49 0LR

**Telephone: (028) 7776 3311**

#### HYDEBANK WOOD YOUNG OFFENDERS' CENTRE AND PRISON

Hospital Road  
BELFAST  
BT8 8NA

**Telephone: (028) 9025 3666**

#### PUBLIC ENQUIRY POINT

**Telephone: 028 9052 2922**  
**Fax: 028 9052 4330**  
**Text phone: 028 9052 5065**  
**E-mail: [info@niprisonservice.gov.uk](mailto:info@niprisonservice.gov.uk)**  
**Website: [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk)**

In addition NIPS has access to translation and interpretation services, available through our policy branch, if so required. Copies in large print, electronic text, Braille and audio versions of this document may be made available, on request.

# REPORT BY THE DIRECTOR GENERAL

## HISTORY AND STATUTORY BACKGROUND

The Northern Ireland Prison Service (the Agency) was established as an Executive Agency of the Northern Ireland Office (NIO) in April 1995 under the Government's Next Steps Initiative. The Agency operated, in this reporting period, under the control of the Secretary of State for Northern Ireland, within a statutory framework governed by the Prison Act (Northern Ireland) 1953 and the Prison and Young Offenders Centre Rules (Northern Ireland) 1995. (NIPS became an Executive Agency of the Department of Justice on 12 April 2010 when policing and justice powers were devolved to the local Assembly.)

## AIMS AND OBJECTIVES

The Northern Ireland Prison Service (NIPS) is responsible for providing prison services in Northern Ireland. The Agency is a major component of the wider criminal justice system and contributes, alongside other partners, to achieving the system's overall aims and objectives such as supporting the political process, increasing public confidence in the criminal justice system in Northern Ireland and assisting progress towards a normal peaceful society.

The Agency aims, through its staff, to serve the community by keeping in secure, safe and humane custody those committed by the courts. It seeks to work with prisoners and other organisations to reduce the risk of re-offending, and in so doing aims to protect the public and contribute to peace and stability in Northern Ireland.

## MANAGEMENT

The Northern Ireland Prison Service is headed by a Director (this changed to Director General upon Devolution) who is supported by a Management Board consisting of three Executive Directors and three Non-Executive Directors.

The Agency's Management Board is responsible for the strategic and business management of the Agency's operations. At 31 March 2010, the Management Board was as follows:

- Robin Masefield CBE - Director
- Alan Smyth – Acting Deputy Director of Services
- Max Murray – Deputy Director of Operations
- Mark McGuckin – Deputy Director of Finance & Personnel
- Sid McDowell CBE - Non-Executive Director
- Phil Wheatley CB – Non-Executive Director
- Patricia Gordon – Non-Executive Director

Appointments to the Management Board (except for the Non-Executive Directors) are made in accordance with the Civil Service Commission's general regulations.

Anne McCleary, Deputy Director of Services resigned from NIPS on 31 May 2009.

Alan Smyth, Acting Deputy Director of Services was appointed on 8 June 2009.

Alan Longwell, Governing Governor of Maghaberry Prison was seconded out of NIPS from 13 August 2009.

Stephen Rodford was appointed as Governing Governor of Maghaberry Prison on 20 July 2009, resigning on 31 December 2009.

Ruth Laird stepped down as a Non-Executive member of NIPS Management Board with effect from 16 January 2010.

Phil Wheatley CB was appointed as a member of NIPS Management Board with effect from 16 January 2010 on a three-year contract.

Patricia Gordon was appointed as a member of NIPS Management Board with effect from 25 February 2010 on a three-year contract.

In accordance with the recommendation of the Pearson Report that the NIPS Management Board should not include prison governors as members, the Management Board adopted this recommendation and endorsed a change to its terms of reference which was implemented on 1 January 2010. As a consequence, Governing Governors of each of the Agency's three operational establishments ceased to be members of the board with effect from 1 January 2010. Details of the salary and benefits of the Management Board Members are disclosed in the Remuneration Report on pages 49 to 53.

# REPORT BY THE DIRECTOR GENERAL

## BOARD MEMBERS INTEREST

Details of all Board Members' interests which may conflict with their management responsibilities are disclosed in Note 24 of the Financial Statements.

## BUSINESS REVIEW & FUTURE DEVELOPMENTS

The total net operating cost for the year was £140,058k (2008-09: £139,700k Restated). The 2008-09 figures have been restated to reflect:

- (i) The implementation of International Financial Reporting Standards (IFRS) and IAS 19 'employee benefits' in particular. Adjustments were made for employee benefits relating to both annual and flexi leave entitlements that have been earned by the year-end but not yet taken. These are included in current liabilities and in Staff Costs for both administration and programme staff across the service.
- (ii) Costs in respect of Injury on Duty Awards (including provisions for future liabilities) are now disclosed in Programme Costs (Note 6) rather than Staff Costs. The 2008-09 comparative figures for Injury on Duty Awards have not been restated.

The full impact of these adjustments is disclosed in the notes of the Financial Statements.

A full set of shadow accounts for 2008-09 was prepared in the summer of 2009 in accordance with IFRS and audited in preparation for the implementation of IFRS in 2009-10. The most significant impact of IFRS for the Northern Ireland Prison Service is the requirement to accrue Employee Benefits. The Agency has also implemented segmental reporting.

A full review of the business during the year and its future development is set out in the Management Commentary on pages 54 to 56 and in the Agency's Corporate and Business Plan.

## PENSION LIABILITIES

The Northern Ireland Prison Service makes employer contributions to the following pension schemes:

- Principal Civil Service Pension Scheme GB; and
- Principal Civil Service Pension Scheme NI

Details of the pension arrangements of the above schemes are disclosed in the Remuneration Report and in Note 1 and Note 4 of the Financial Statements.

## EQUALITY

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations. These duties are designed, in particular, to ensure that equality issues are integral to the whole range of public policy decision making. The Northern Ireland Office, which included the Prison Service, has submitted its Equality Scheme to the Equality Commission for Northern Ireland. The Prison Service is fully committed to the Equality Scheme and will ensure that appropriate training is delivered to staff.

The average number of disabled persons employed during the year was 57 (2008-09: 58).

## EMPLOYEE CONSULTATION

The Northern Ireland Prison Service recognises the importance of good employee relations and is committed to effective employee relations and communications. Regular meetings are held with representatives of trades unions.

# REPORT BY THE DIRECTOR GENERAL

## HEALTH & SAFETY

The Northern Ireland Prison Service is committed to providing for staff, prisoners and visitors an environment that is as far as possible safe and free from risk to health. In line with this commitment, the Agency complies with the relevant health and safety legislation.

## CHARITABLE DONATIONS

There were no charitable donations made by the Northern Ireland Prison Service during the year.

## PAYMENT OF SUPPLIERS

Monthly statistics submitted to the Northern Ireland Office and subsequently reviewed at Cabinet meetings, highlight that the Agency has consistently achieved more than 90% of payments to suppliers within 10 working days during the financial year. In terms of the overall performance for 2009-10, 93.5% of invoices were paid within 10 working days following receipt of a properly rendered invoice compared to 83% during the four months to 31 March 2009 following the introduction of this new Government target. The aggregate amount owed to trade creditors at 31 March 2010 of £1,131k when compared to the aggregate amount invoiced of £46,963k in 2009-10, shows that on average creditors were paid within 9 days.

In addition, the Northern Ireland Office was a signatory to the code of practice launched by the Department for Business Innovation and Skills in December 2008 to help increase the speed of payments between customers and their suppliers. The prompt payment code was developed in partnership with the Institute of Credit Management and aims to establish a clear and consistent policy in the payment of business bills. Further details regarding this are available at [www.promptpaymentcode.org.uk](http://www.promptpaymentcode.org.uk).

## ACCOUNTING RESPONSIBILITIES

The Agency's Financial Statements have been prepared in accordance with a direction issued by Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

## AUDIT

The Financial Statements are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate and report is produced at pages 69 to 70.

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

The notional audit fee for the work performed by the staff of the C&AG during the reporting period and which relates solely to the audit of these Financial Statements was £45k. Also, during the financial year, the 2008-09 Statement of Financial Position was restated in September 2009 and audited in December 2009 as required to prepare for the implementation of IFRS in 2009-10. The notional audit fee for this work was £10.5k.

The C&AG may also undertake other statutory activities that are not related to the audit of the Agency's Financial Statements such as Value for Money reports. No such activity took place during the year.



**Robin Masfield**  
17 June 2010

# MANAGEMENT BOARD REMUNERATION REPORT

## REMUNERATION OF THE MANAGEMENT BOARD

The Northern Ireland Prison Service does not have a remuneration committee. As civil servants, the remuneration of executive senior civil servants was set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body had regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional / local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body took account of the evidence it received about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

As members of the Senior Civil Service the Director General's and Directors' remuneration was set by the NIO Remuneration Committee.

The remuneration of the Governing Governors on the Management Board was set by the Prison Service Pay Review Body.

As noted in the Report by the Director General, Governing Governors of each of the Agency's three operational establishments ceased to be members of the board with effect from 29 January 2010.

The remuneration of the Non-Executive Directors was determined by the Director General taking account of guidance issued by the Office of the First Minister & Deputy First Minister on the appointment of independent Non-Executive Directors.

## SERVICE CONTRACTS

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

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

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

Sid McDowell was appointed as a Non-Executive Director on 1 December 2004 on a three-year contract. This contract was renewed in December 2007.

Ruth Laird was appointed as a Non-Executive Director on a three-year contract on 12 September 2005. This contract was renewed during 2008-09 until 12 September 2011. As noted in the Report by the Director General, Ruth Laird stepped down as a Non-Executive member of NIPS Management Board with effect from 16 January 2010.

As noted in the Report by the Director General, Phil Wheatley CB was appointed as a member of NIPS Management Board with effect from 16 January 2010 on a three-year contract.

As noted in the Report by the Director General, Patricia Gordon was appointed as a member of NIPS Management Board with effect from 25 February 2010 on a three-year contract.

# MANAGEMENT BOARD REMUNERATION REPORT

Two Non-Executive Members, Donald Price and Robert Jonathan Hegan, were appointed to the Magilligan Prison Redevelopment Programme Board on 1 November 2008 for a three-year period. They are not members of the Prison Service Management Board.

## BONUSES

Non-consolidated bonuses are payable to Senior Civil Servants to reward in-year performances in relation to agreed objectives, or short term personal contribution to wider organisational objectives.

Non-consolidated bonuses are payable to the Governing Governors to reward exceptional performance based upon recommendation by the Director of Operations and countersigned by the Director General.

## SALARY (AUDITED INFORMATION)

### Salary of Non-Executive members of the NI Prison Service Management Board and Magilligan Prison Redevelopment Programme Board for the 2009-10 Financial Year [Audited Information]

Board Member	2009-10 Salary & allowances £	2008-09 <sup>3</sup> Salary & allowances £
<b>Sid McDowell</b> Non-Executive Director	9,000	9,000
<b>Ruth Laird</b> Non-Executive Director	* 7,137 (9,000)	9,000
<b>Patricia Gordon</b> <sup>1</sup> Non-Executive Director	*900 (9,000)	-
<b>Phil Wheatley</b> <sup>2</sup> Non-Executive Director	* -	-
<b>Donald Price</b> Non-Executive member of Magilligan Prison Redevelopment Programme Board	6,000	* 2,500 (6,000)
<b>Robert Jonathan Hegan</b> Non-Executive member of Magilligan Prison Redevelopment Programme Board	6,000	* 2,500 (6,000)

\* Indicates that the individual was in post for part of year only. Full year equivalents are noted beside part year amounts in brackets.

<sup>1</sup> Patricia Gordon had remuneration payable, as disclosed for 2009-10 but this was not paid until after the reporting period.

<sup>2</sup> Phil Wheatley CB did not receive any remuneration in 2009-10 and will not, until such times as he has resigned from the National Offender Management Service (NOMS).

<sup>3</sup> Figures for Non-Executive Directors remuneration for 2008-09 have been amended as those quoted in the annual report for 2008-09 wrongly included an amount for Employers' National Insurance Contributions. These payments do not attract any pension entitlement.

The salary and pension details of the remainder of the Management Board for 2009-10 are disclosed in the Tables on pages 51 and 53 respectively. Salaries and allowances include gross salaries, performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK Taxation. The salary range reflects remuneration for the months in office, but where relevant the full year equivalent (FYE) is also provided.

The Agency did not make any contributions to a Board Member's partnership pension account.

# MANAGEMENT BOARD REMUNERATION REPORT

## DIRECTOR (AUDITED INFORMATION)

The Director received total remuneration excluding pension contributions of £102,717 (2008-09: £111,414). He is an ordinary member of the Principal Civil Service Pension Scheme (GB).

## BENEFITS IN KIND

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

### Salary & Benefits of full time executive members of the NI Prison Service Management Board for the 2009-10 Financial Year [Audited Information]

Board Member	2009-10	2009-10	2008-09	2008-09
	Salary & allowances	Benefits in Kind <sup>1</sup>	Salary & allowances	Benefits in Kind <sup>1</sup>
	£'000	£'s	£'000	£'s
<b>Robin Masefield</b> Director	100-105	-	110-115	6,800
<b>Anne McCleary</b> Deputy Director of Services	*10-15 (65-70)	-	65-70	-
<b>Alan Smyth</b> Acting Deputy Director of Services	*45-50 (55-60)	-	-	-
<b>Max Murray</b> Deputy Director of Operations	85-90	-	80-85	-
<b>Mark McGuckin</b> Deputy Director of Finance & Personnel	70-75	-	70-75	-
<b>Alan Longwell</b> Governing Governor	*25-30 (75-80)	-	75-80	-
<b>Stephen Rodford</b> Governing Governor	*40-45 (95-100)	-	-	-
<b>Austin Treacy</b> Governing Governor	* 50-55 (65-70)	-	65-70	-
<b>Tom Woods</b> Governing Governor	*50-55 (70-75)	-	65-70	-

<sup>1</sup>The estimated monetary value of benefits in kind covers any benefits provided and treated by Revenue and Customs as taxable emolument. The net benefits in kind shown above are in respect of detached duty allowances and expenses, on which the tax payable is met by the Department. The above amounts exclude tax or benefits in kind arising from payments under the Assisted Home Removals Scheme as a result of the October 2002 Security Breach.

The amount reported as benefits in kind in the remuneration report for Robin Masefield in 2008-09 have been restated to show the net figure and not the gross as in the prior year.

\*Indicates that the individual was in post for part of year only. Full year equivalents are noted beside part year amounts in brackets.

As noted in the Report by the Director General, Anne McCleary, Deputy Director of Services resigned from NIPS on 31 May 2009. Alan Smyth, Acting Deputy Director of Services was appointed on 8 June 2009. Alan Longwell, Governing Governor of Maghaberry Prison was seconded out of NIPS from 13 August 2009. Stephen Rodford was appointed as Governing Governor of Maghaberry Prison on 20 July 2009, resigning on 31 December 2009.

# MANAGEMENT BOARD REMUNERATION REPORT

## PENSIONS

Pension benefits are provided through the Civil Service pension arrangements, which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index.

New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New Entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of the scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase. Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service Pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

## CASH EQUIVALENT TRANSFER VALUE

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

# MANAGEMENT BOARD REMUNERATION REPORT

## REAL INCREASE IN CETV

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

## COMPENSATION FOR LOSS OF OFFICE

There were no compensation benefits paid to any current or previous member of the Management Board during the financial year 2009-10.

### Pension Benefits of full time executive members of the NI Prison Service Management Board for the 2009-10 Financial Year [Audited Information]

Board Member	Real increase in pension & related lump Sum £'000	Total accrued pension and related lump sum at 31 March 2010 £'000	CETV at 31 March 2009 or at date of joining £'000	CETV at 31 March 2010 or at date of leaving £'000	Real increase in CETV £'000	Employer contribution to partnership pension account including risk benefit cover £'000	Total Compensation Paid £'000
<b>Robin Masefield</b> Director	0-2.5k and 5-7.5k lump sum	45-50k and 140-145k lump sum	958	1060	51	-	-
<b>Anne McCleary</b> Deputy Director of Services	0-2.5k and 0-2.5k lump sum	15 -20k and 50-55k lump sum	290	296	4	-	-
<b>Alan Smyth</b> Acting Deputy Director of Services	0-2.5k and 0-2.5k lump sum	15 -20k and 55-60k lump sum	291	335	10	-	-
<b>Max Murray</b> Deputy Director of Operations	0-2.5k and 5-7.5k lump sum	30-35k and 100-105k lump sum	701	820	40	-	-
<b>Mark McGuckin</b> Deputy Director of Finance & Personnel	0-2.5k and 2.5-5k lump sum	30-35k and 90-95k lump sum	518	619	29	-	-
<b>Alan Longwell</b> Governing Governor	0-2.5k and 0-2.5k lump sum	20-25k and 65-70k lump sum	340	357	11	-	-
<b>Stephen Rodford</b> Governing Governor	0-2.5k and 2.5-5k lump sum	25-30k and 75-80k lump sum	432	470	24	-	-
<b>Austin Treacy</b> Governing Governor	0-2.5k and 2.5-5k lump sum	30-35k and 90-95k lump sum	592	654	31	-	-
<b>Tom Woods</b> Governing Governor	2.5-5k and 2.5-5k lump sum	25-30k and 50-55k lump sum	454	535	63	-	-



Robin Masefield

17 June 2010

# MANAGEMENT COMMENTARY

## FINANCIAL REVIEW

### FINANCIAL PROVISION & CASH FLOW

The Prison Service was financed as part of the overall Northern Ireland Office (NIO) Departmental Expenditure Limit voted by Parliament for 2009-10. The total cash required for the year was £127,627k (2008-09, £149,942k).

The Agency has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance and therefore adheres to the guidelines on fees and charges in HM Treasury's manual, Managing Public Money.

A full set of Shadow accounts for 2008-09 was prepared in the summer of 2009 according to the new International Financial Reporting Standards (IFRS) and was audited in preparation for the implementation of IFRS in 2009-10. The most significant impact of IFRS for the Northern Ireland Prison Service is the requirement to accrue Employee Benefits. The Agency has also implemented segmental reporting.

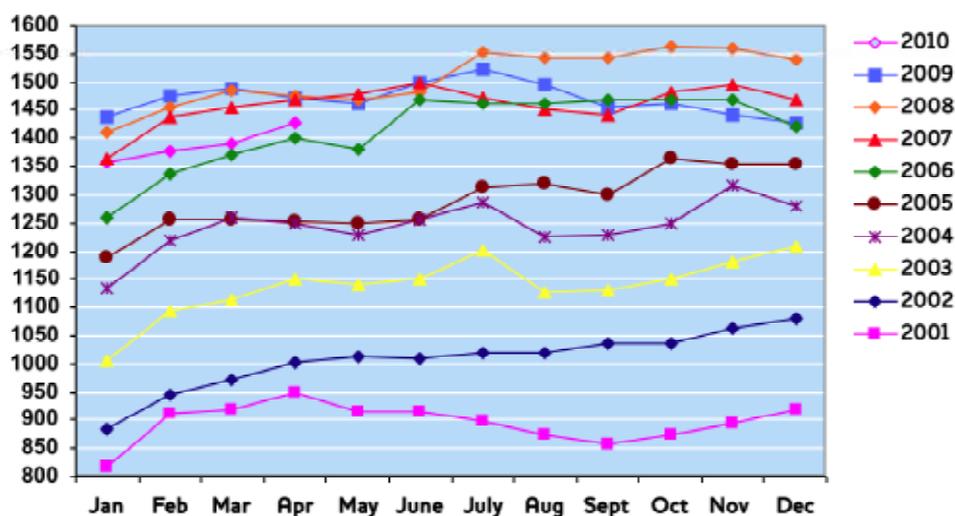
In line with the requirements of IAS 16, NI Prison Service has considered the impact of breaking property, plant and equipment assets down into identifiable components with different useful lives and accounting for them separately. The result of analyses conducted by Land and Property Services and NIPS concludes that the application of componentisation principles to Land and Buildings would not have a material effect on the carrying values of these assets as reported. No adjustment has been made to cumulative depreciation or the net book values of these assets in the financial accounts for year ended 31 March 2010. However, in line with the requirements of IAS 16, NIPS will componentise all new buildings assets from 1 April 2010.

The 2008-09 figures have been restated to reflect the impact of the adoption of International Financial Reporting Standards (IFRS). The full impact of these adjustments is disclosed in Notes 1 (pages 75 to 80) and 2 (First time adoption of IFRS on page 81) of the Financial Statements.

The financial statements have been prepared in accordance with the 2009-10 Financial Reporting Manual (FReM) issued by HM Treasury applying International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

### PRISONER POPULATION

The NI Prison Service held on average through 2009-10 a total of 1,454<sup>1</sup> (2008-09: 1,508) prisoners, representing an average decrease of 3.54% in prisoner population from the previous year. The fall in population reflects the introduction of the Criminal Justice (NI) Order 2008 which came into effect in May 2009. NI Prison Service has seen a fall in the average population reflecting the introduction of alternative forms of disposal available to the Court Service such as the use of Electronic Monitoring.



<sup>1</sup> The average prisoner population figure differs from that stated in Appendices 1 and 2 due to the method of calculation. The figures in Appendices 1 and 2 are based on a sample taken one day per month. The figure stated above is calculated using the daily occupancy figure.

# MANAGEMENT COMMENTARY

## CAPITAL COSTS

During the year the NI Prison Service invested further in its prison estate and infrastructure incurring £10,443k (2008-09: £23,258k) in expenditure on capital assets. Details of the movement of property, plant and equipment and intangible assets are set out in Notes 9 and 10 to the Financial Statements.

Major capital projects progressed during 2009-10 included a range of Offender Management accommodation created across the estate (new multi-agency office at Hydebank Wood; classrooms and offices at Magilligan, and the design and tender of offices and a learning & skills centre at Maghaberry). Major refurbishment of the Healthcare facilities and the Control Room was

provided at Maghaberry. Design work also progressed on the development of Residential accommodation at Maghaberry (120 cells and 20-cell specialist unit) and the new prison development at Magilligan. Other capital works included refurbishment of the male reception, forecourt access and all-weather pitch at Hydebank Wood, emergency cell call and new dental unit at Magilligan together with ongoing upgrades within Maghaberry.

## RESOURCE COSTS

The net cost of operations for the year as shown in the Operating Cost Statement on page 71 is £140,058k (2008-09: £139,700k Restated). The Prison Service incurred expenditure during the year as follows:

Operating Costs	2009-10 £k	2008-09 £k Restated
Staff Costs *	90,492	95,686
Net Running Costs **	26,939	17,891
Depreciation	12,693	11,292
Finance Charges	7,248	7,616
<b>Operating Expenditure</b> (excluding non standard costs)	<b>137,372</b>	<b>132,485</b>
Injury Benefit Provision (including unwinding of discount)	1,973	5,519
Billy Wright Inquiry Costs	415	1,414
Prison Service Trust Grant	298	282
<b>Net Operating Costs</b>	<b>140,058</b>	<b>139,700</b>

\* Costs exclude the staff related costs of the Billy Wright Inquiry (£72k, 2008-09: £230k) in the lower part of the table.

\*\* Costs exclude the movements in the Injury Benefit Provision (£1,973k, 2008-09: £5,519k) and Billy Wright Inquiry running costs (£343k, 2008-09: £1,184k) in the lower part of the table.

# MANAGEMENT COMMENTARY

Operating Expenditure increased by £4,887k from the restated 2008-09 figures, representing a 3.69% increase during 2009-10. This was due to higher non-cash resource costs of £1,401k.

Provision charges in the year, excluding Injury Benefit provision was higher in 2009-10 by £2,950k. In 2008-09 a number of litigation cases were settled for amounts significantly lower than the estimate. A review of all cases settled in the previous two years was carried out and it was determined that in general claims were lower than the amount provided. As a result the value of all pending claims in 2008-09 was reduced by 44%, amounting to a credit of £1,313k in the accounts. Litigation claims and provisions are subject to an ongoing review of their settlement history and as a result of this analysis in 2009-10, it was determined that in general claims were still lower than the amount provided but to a lesser extent. The adjustment was revised accordingly at 31 March 2010 which resulted in a charge in the accounts.

The Restated Operating Expenditure figure (excluding non-standard costs) as noted above for 2008-09 reflects the exclusion of movements in the Injury Benefit Provision.

The restated figure in 2008-09 also reflects the implementation of IFRS and IAS 19 'employee benefits' in particular. Adjustments were made for employee benefits relating to both annual and flexi leave entitlements that have been earned by the year-end, but not yet taken. These are included in current liabilities and in Staff Costs for both administration and programme staff across the service.

Movements in Operating Costs are explained in the Notes to the accounts.

## COST PER PRISONER PLACE

The Northern Ireland Office Departmental Strategic Objectives set out the targets the Department would deliver in return for the resources it had been allocated. DSO 2, of the NIO stated that the Department would provide a cost effective Prison Service, by ensuring that the annual Cost Per Prisoner Place in Northern Ireland falls to £76,500 by 2010-11. The target is calculated by dividing Operating Expenditure (excluding non-standard costs) by the average total available places defined as Certified Normal Accommodation.

The actual Cost per Prisoner Place in Northern Ireland over 2009-10 was £77,831. This is below the target of £78,750.

	2009-10 Actual	2009-10 Target
Operating Expenditure (£k)	137,372	139,292
Prisoner places (C N A)	1,765	1,775
<b>Cost per Prisoner Place (£)</b>	<b>77,831</b>	<b>78,750</b>

The operating expenditure relates to the resource expenditure outturn with three non-standard cost items removed. These relate to the costs associated with movements in respect of an increase to the Injury Benefits Provision for payments due to former employees, the Billy Wright Inquiry and the grant paid to the Prison Service Trust.



**Robin Masfield**  
17 June 2010

# OPERATING REVIEW

## HISTORY AND STATUTORY BACKGROUND

Details on the history and statutory background of the Northern Ireland Prison Service can be found in the Report of the Director General section of this document.

## STRUCTURE AND LOCATION

Currently NIPS has three operational establishments:

- Maghaberry Prison – a high security prison, housing adult male long-term sentenced and remand prisoners in integrated and separated conditions. Maghaberry also has responsibility for a facility in Belfast for selected, suitably risk-assessed prisoners nearing the end of their sentence. Additional accommodation is being created at Maghaberry.
- Magilligan Prison – a medium security prison, housing shorter term sentenced adult male prisoners. This establishment also has low security accommodation for selected prisoners nearing the end of their sentence. A programme is in place for the redevelopment of the prison.
- Hydebank Wood – a medium to low security establishment accommodating male remand and sentenced young offenders between the ages of 16 and 21 and all female prisoners (including female immigration detainees).

NIPS also has a staff training facility, the Prison Service College, at Millisle, Co Down. It is planned that the Service's training function will form part of the combined Police, Prison Service and Fire & Rescue College at Desertcreat near Cookstown when it is completed.

Prison Service Headquarters, the main administrative centre for the Service, is located on the Stormont Estate, Belfast.

## BUSINESS OBJECTIVES AND STRATEGY

### STRATEGIC AIMS 2009 - 10

#### **THREE STRATEGIC AIMS PROVIDE THE FOCUS FOR OUR WORK IN PROTECTING THE PUBLIC ON BEHALF OF THE NORTHERN IRELAND COMMUNITY:**

- To maintain and deliver a proportionate level of security for all those in our custody, whether in a prison establishment, at court or elsewhere; preventing escapes by taking measures which involve the use of the appropriate degree of security, while treating prisoners with humanity and dignity, and recognising their human rights.
- To provide a safe living and working environment, which is as far as possible free from disturbance, threat and intimidation encouraging good relations and respect between all involved in the prison system; to promote the Healthy Prisons and Respect agenda; improvements in healthcare, especially in regard to the mental health of prisoners.
- To assist family re-integration and reduce re-offending by providing prisoners with relevant skills, activities, services and resettlement programmes, in partnership with other criminal justice organisations, the Probation Board and an increasing range of external agencies in both the statutory and voluntary sectors and the business community. These include education, training, work experience, sport and recreation, programmes specifically targeted at addressing behaviour and advising the risk of serious harm and re-offending to help prepare prisoners for their return to the community.

#### **IN SUPPORT OF THESE AIMS, THE SERVICE SEEKS:**

- To achieve the commitment of a motivated and competent workforce with the correct number of staff on duty and deployed efficiently; to value staff and equip them with the right skills to carry out their work effectively to implement our Human Resource and Diversity Strategies to promote diversity and equality of opportunity; to maximise staff attendance, promoting and supporting staff welfare, health and morale and to have positive employee relations.

# OPERATING REVIEW

- To use effectively, efficiently and economically the resources allocated to us. We will continue to improve practices in the areas of financial management, accountability and corporate governance and aim to improve value for money and reduce the cost per prisoner place. We will aim to improve business performance and awareness of costs and outputs by internal and external benchmarking, develop the Prison Service estate and extend the use of Information Technology in support of business needs.

## PERFORMANCE AGAINST KEY TARGETS

Prior to the devolution of policing and justice functions the Northern Ireland Office (Departmental Sponsor) and the Minister responsible for Prisons reviewed annually key targets for the Service as part of the Service's planning process and following their approval, these targets were published in the Prison Service Corporate and Business Plan.

Details of the targets and outturns for 2009-10 are in the Review of Performance section of this report. (See pages 9 to 31)

## BUSINESS REVIEW

Chapters 1-6 of the Annual Report include a full review of the Service's business for the year.

## EMPLOYEE POLICY AND PERFORMANCE

The Service continued to make progress in implementing its Human Resources (HR) Strategy, which supports progress towards the Service's corporate business objectives and promotes and delivers change in a corporate culture. The HR Strategy Action Plan 2009-12 set out a three-year programme of work with overarching themes and key actions on leadership, values

and standards, employee relations, resourcing, learning and development and personnel services delivery.

The Service continued to implement its Diversity Strategy – *Make a Difference*, aimed at creating a workforce that is more reflective and more understanding of the community that it serves. The Diversity Strategy provides a framework within which service delivery can be enhanced and new and innovative ways of working to meet the challenge of the Criminal Justice Order can be developed.

Considerable progress has been made in implementing the comprehensive action plan. This has had a particular focus on raising awareness and the Diversity Steering Group developed a tailor made training package which is being rolled out across the organisation. NIPS has recently surveyed staff on disability issues and is working with the Employer's Forum on Disability (NI) to develop a Disability Strategy. A NIPS Women's Forum was launched in 2009 and a gender specific development programme is being drawn up to help address the under representation of women at senior levels.

From 1 October 2008, the Service introduced revised sick absence procedures to address the high levels of absenteeism. The procedures are presently under review to assess their effectiveness, the extent of compliance and to incorporate any lessons learned.

By way of health promotion a series of Health Fairs were hosted at each Establishment and Headquarters. These were well attended and the feedback was very positive. Work continued to improve the overall working environment. In 2009 a mediation facility was introduced to address workplace disputes and improve working relationships. The Management Board agreed terms of reference for a Workplace Environment Audit which launched in June 2010 and includes external participation and independent verification.

Absenteeism is one of the Service's key targets, set by the Minister annually. While the target was not met, there continued to be significant improvement year on year in performance against this target as shown in the table:

YEAR	TARGET	OUTTURN
2009 - 10	Reduce the rate of absenteeism to 11 days per head	12.64
2008 - 09	Reduce the rate of absenteeism to 12 days per head	14.57
2007 - 08	Reduce the rate of absenteeism to 13 days per head	17.7

# OPERATING REVIEW

## ENVIRONMENT POLICY AND PERFORMANCE

The Prison Service continued to implement its Environmental Sustainable Development Policy and Action Plan, aimed at reducing energy and water consumption, using renewable energy where practicable and promoting the use of recycling.

A natural gas pipeline at Maghaberry and independent heat, light, power and water usage metering contributed to NIPS overall carbon footprint and energy costs reduction.

A project continued at Magilligan to collect waste paper and card from across the prison estate and recycle it into burnable briquettes thus reducing the amount of waste sent to landfill.

## SOCIAL AND COMMUNITY POLICY AND PERFORMANCE

In working towards its purpose of protecting the public by reducing the risk of re-offending, the Prison Service places considerable emphasis on its civic role and its position in the wider criminal justice system and works to promote wider understanding and contribute to greater confidence in the criminal justice system.

## LOOKING FORWARD

The Northern Ireland Prison Service became an Agency under the Department of Justice when policing and justice functions were devolved to the local Assembly. As a result NIPS will set out its priorities, which will take account of the Department of Justice's Business Plan and the Executive's priorities as set out in the addendum to its Programme for Government, as agreed with the Minister of Justice, David Ford MLA, within the NIPS Corporate and Business Plan 2010-13. Due to the development of a new sponsor Department the Plan has yet to be finalised and once agreed the plan will be published and may be accessed on the Prison Service website – [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk).

## CORPORATE GOVERNANCE

### PRISON SERVICE MANAGEMENT BOARD

The Prison Service Management Board (PSMB) is committed to high standards of corporate governance. The Director General advises Ministers on all matters relating to the Service's areas of responsibility and provides leadership for the Agency. As Accounting Officer, he is responsible for maintaining a sound system of internal control that supports the achievement of the Service's key targets and objectives.

As provided for in the Prison Service Framework Document the Management Board's purpose is to support the Director General in his day-to-day responsibilities.

This Board, which meets monthly, is the top management group of the Prison Service and is responsible for the establishment and monitoring of the corporate governance arrangements for the Service.

Since January 2010 the Board has included three non-executive directors (two previously) who contribute to the good governance of the Service by offering independent constructive challenge across all the Management Board's business ensuring that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency.

From April – December 2009 the Board comprised the Director, three Executive Deputy Directors, the three Governing Governors and two Non-Executive Directors. Following implementation of a recommendation from a scrutiny report (Pearson) the Board was rationalised in January 2010 and consisted of the Director, three Executive Deputy Directors and three Non-Executive Directors.

The Board focuses on:

- setting the overall strategic direction for the Service;
- agreeing the Service's annual financial strategy and monitoring progress against the strategy;
- establishing and overseeing the implementation of the Service's Corporate Governance and Risk Management arrangements;

# OPERATING REVIEW

- approving policy developments and overseeing the implementation of policies and programmes in line with the Service's strategic direction;
- monitoring performance against the Corporate and Business Plan objectives and targets; and
- overseeing the strategic management of the Service's staff, finance information and physical resources and accountability for performance.

In addition, strategic planning seminars are held to consider these issues in more depth.

## CORPORATE COMPLIANCE COMMITTEE

During the year the Corporate Compliance Committee, chaired by Sid McDowell, Non-Executive Director, met three times. The Committee is a sub-committee of the Management Board and provides assurance to the Accounting Officer on the effectiveness of the corporate governance arrangements and internal control system. The Committee considers and reports to the Accounting Officer and the Board on the adequacy of risk management and internal controls through reviewing:

- the mechanisms for providing assurance on risk, control and governance and the Statement on Internal Control;
- the accounting policies and the accounts of the organisation;
- the planned activity and results of internal audit;
- adequacy of management response to issues identified by audit activity; and
- assurances relating to the corporate governance requirements for the organisation.

At meetings during 2009-10, the Committee received:

- reports from the Head of Internal Audit;
- reports from External Audit;
- updates on addressing information risk;
- reports on use of consultants;
- report on the assurance mapping process; and
- updated risk management reports.

## GOVERNANCE AND RISK MANAGEMENT

A key element of corporate governance is the implementation of a risk management system as detailed in our Risk Management Policy, which has been aligned with Department of Finance and Personnel policy direction in advance of devolution. The Service has a risk management strategy, which identifies, evaluates and assigns ownership of risks to all areas of activity to ensure delivery of business objectives across all Directorates and the relevant business areas. Risk management is an integral part of the Service's business planning process.

The risk management system in place is underpinned by stewardship statements, which exist for each business area and are signed off at Deputy Director, Governing Governor and Head of Branch level. The statements provide confirmation that all necessary steps required to implement effective internal control have been taken during the course of the financial year.

## INFORMATION RISK MANAGEMENT

During the year the Prison Service paid particular attention to the arrangements for raising awareness of Information Risk and for managing these risks effectively. A Senior Information Risk Owner was appointed as were Information Asset Owners. In addition, an Information Risk Management Group was established to raise awareness of information risks and data handling across the organisation.

During 2009-10, three information assurance security incidents were reported which involved leaking of information. Of these, two were deemed serious enough to be reported to the Information Commissioner's Office.

# OPERATING REVIEW

## SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE (ICO) IN 2009-10

Date of Incident (month)	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
April	e-mail incorrectly sent to all members of staff in Maghaberry	Interview notes relating to internal investigation	2	Incident reported to ICO after investigation of circumstances. No action recommended by ICO.
November	Staff file found in Maghaberry Internal Stores	Personal information including National Insurance number, date of birth and home address.	1	Reported to ICO. Recommendations received to improve data handling – being actioned.
<b>Further action on information risk</b>	Various initiatives being taken forward to raise staff awareness of Data Protection issues, including poster campaign and on-line test.			

## SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2009-10

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	0
II	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	1
V	Other	0

# OPERATING REVIEW

## REGULATORY RISK

During 2009-10 and prior to the devolution of policing and justice functions to a local Assembly, the Northern Ireland Prison Service was responsible for the general regulation and control of prisons in Northern Ireland, under the delegated authority of the Secretary of State for Northern Ireland.

The Prison Service operates within a robust regulatory framework of statutory and non-statutory measures. The Prison Act (Northern Ireland) 1953 and the Prison and Young Offenders Centre Rules (NI) 1995 are the principal elements of the legislative framework for the Prison Service. The management of specific regulatory risk within this framework is the responsibility of the Prison Service Management Board.

The Northern Ireland Prison Service policies are developed through an open and inclusive process and an integrated system of impact assessments and appraisal tools are used to determine the response needed to each of the issues identified.

## BUSINESS PERFORMANCE RISK

Business performance risk is the risk that the Service's objectives at Directorate and Establishment level may not be achieved due to obstacles or potential difficulties either within or outside the control of the Service. To minimise the detrimental impact of these events occurring, risks are managed within each of the business area risk frameworks.

## HEALTH AND SAFETY RISK

The Northern Ireland Prison Service has established arrangements for compliance with all relevant Health and Safety legislation including the development of appropriate policies, the appointment of competent persons to manage and control risk and ensure appropriate training for staff. Regular reports are provided to the Management Board on performance and incidents.

The Service owes a duty of care to inmates, officers, officials and visitors alike, in a very challenging environment. It has a culture of continuous improvement of its policy and procedures in relation to Health and Safety issues. This commitment has been underpinned by the management structure required by UK-wide Corporate Manslaughter legislation from which custodial management is currently excluded, but which has been subject to annual report to Parliament, pending the extension of the legislation.



**Robin Masfield**  
**17 June 2010**

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Northern Ireland Prison Service Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Prison Service Agency and of its income and expenditure, changes in taxpayer's equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, 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 HM Treasury's Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements; and
- prepare the Financial Statements on a going concern basis.

The Accounting Officer of the Northern Ireland Office designated the Director of the Northern Ireland Prison Service as Accounting Officer for the year of account.

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 Northern Ireland Prison Service's assets, are set out in the Accounting Officer's Memorandum, issued by HM Treasury and published in Managing Public Money.

## STATEMENT ON INTERNAL CONTROL

### 1. SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Prison Service Agency policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money, for the reporting period.

I am accountable for the effective, efficient and economic use of resources provided to the Prison Service; for the regularity and propriety of its expenditure; and for ensuring that the requirements of Managing Public Money are met. In carrying out these responsibilities, I regularly briefed Ministers, orally and in writing as appropriate, to alert them to emerging issues of substance and the associated risks involved. Issues may include relevant risks notified to me on the Corporate Risk Register which is endorsed by the Corporate Compliance Committee (a sub committee of the NIPS Management Board).

As Designated Agency Accounting Officer and member of the NIO Departmental Board, I was held to account by the Departmental Accounting Officer (and chair of the Departmental Board). This took the form of regular reports to the sponsoring Department and the Minister responsible for prisons coupled with regular bi-lateral discussions with the Departmental Accounting Officer. This process will continue after Devolution, with the Department of Justice.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

## 2. THE PURPOSE OF THE SYSTEM ON INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Prison Service's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Prison Service for the year ended 31 March 2010 and up to the date of approval of the Annual report and Accounts, and accords with HM Treasury guidance.

## 3. CAPACITY TO HANDLE RISK

Leadership of the risk management process is provided corporately by the Prison Service Management Board (PSMB). The work of the Management Board regularly involves:

- agreeing the key risks, risk owners and controls to manage risks identified in the Board level risk register;
- monitoring the management and control of key risks to reduce the likelihood of unforeseen occurrence;
- ownership of the Board level Risk Register; and
- the Service's key targets risk framework.

As a Prison Service, management of risk is central to our operational activities at every level. A range of internal control processes are in place that have been applied in maintaining and reviewing the effectiveness of the system of internal control which includes comprehensive arrangements for managing risk. The Prison Service Management Board drives risk management across the organisation. Key risks to the Service are reviewed by the Board on a quarterly basis and consideration is given to emerging risks. The review process involves monitoring the Risk Register to assess the effectiveness of the systems in place that manage the risks and the extent to which the Service has control over the risks.

The Accounting Officer and Deputy Directors<sup>2</sup> as members of the Prison Service Management Board are responsible for managing risk within their areas. These and other senior management staff provide written assurance in the annual Stewardship Statements that the risk management arrangements and internal control arrangements are operating effectively throughout the year. These Stewardship Statements are reviewed by the Corporate Compliance Committee (CCC), which then provides further assurance to me on the effectiveness of those systems and processes.

Risk management is also embedded within the planning process at both Corporate and Branch/Establishment planning days and forms an integral part of the business planning process and how the Service conducts its business. A number of key managers and staff from across all directorates have completed a series of internally developed and delivered half day training sessions on Risk Management and Fraud Awareness. A Prison Service risk management toolkit is also available to managers and staff on the corporate file plan.

## 4. THE RISK AND CONTROL FRAMEWORK

The Service's Corporate Governance Framework includes various structures and arrangements to identify, evaluate and control risk.

The PSMB has also approved a risk management strategy for the Service, the key elements of which include the identification, evaluation and assignment of risk ownership attached to all areas of business activity. Risks are incorporated in a risk matrix, which assesses impact/likelihood and assigns ownership. Risk assessments are held centrally and inform the overall Prison Service Risk Register. Risk management arrangements are supported by a system of stewardship statements signed at Deputy Director, Governing Governor and Heads of Branch level.

The Management Board also identifies external risks, which could affect the ability of the Prison Service to conduct its business effectively.

<sup>2</sup> Since 1 January 2010, Governors have not been members of the Prison Service Management Board.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Risks to the Corporate and Business Plan key targets are identified and managed at Management Board level and progress against key targets is reviewed on a monthly basis. A quarterly performance report detailing targets, objectives and their associated risk assessments was submitted to both the Northern Ireland Office Departmental Sponsor and the Minister.

The CCC considers Board level and key targets risk registers when it meets three times per year.

Risks to the Service's development objectives and to Establishments' strategic plans are managed across the Service. Heads of Branch and Heads of Management Support Services undertake risk management in all areas of activity. Project risks are identified and managed by the Project or Programme Manager and are reviewed by the Project or Programme Board who determine appetite for risk on a project-by-project basis.

Other key elements of these risk management arrangements include a professionally led Internal Audit function, that works to Government Internal Audit Standards, reviewing the overall arrangements for managing risk and that reports to the CCC any areas of concern. Internal Audit gives independent assurance to the Accounting Officer in their audit reports and through oral briefings at the CCC meetings throughout the year.

Other structures and functions exist that support the management of corporate risk. These include:

- the appointment of a Senior Information Risk Owner (SIRO) and Information Asset Owners (IAO) for the Agency;
- facilitation of policy development in an overall strategic context through the Prison Law and Policy Branch and Operational Policy Branch;
- an Agency Security Officer;
- a Human Rights Adviser;
- an HR Equality and Diversity Manager;
- an Equality Adviser;
- a Records and Information Unit; and
- personnel policies approved by the PSMB.

## 5. REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Prison Service, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to those charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Corporate Compliance Committee (CCC) and plans to address weaknesses and ensure continuous improvement of the system are in place.

I have established the following processes to maintain and review the effectiveness of the system of internal control:

- The Management Board which meets monthly to consider the policies and strategic direction of the Service and to monitor performance against key targets and the financial position. From April – December 2009 the Board comprised the Director, three Executive Deputy Directors, the three Governing Governors and two Non-Executive Directors. Following implementation of a recommendation from a scrutiny report (Pearson) the Board was rationalised in January 2010 and consisted of the Director, three Executive Deputy Directors and three Non-Executive Directors. The monitoring and review of the key risks associated with the ability of the Service to conduct its business is included as a regular item on the Board agenda.
- Each year key performance targets are set by the Minister and performance against these is reviewed by the Management Board at their monthly meeting.
- Weekly meetings of the executive members of the Board are held to discuss operational and other issues and the associated risks.
- The Operational Management Board comprising the Deputy Director of Operations and the Governing Governors meets monthly.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

- Mid and End year stewardship statements are completed by each of the Deputy Directors, Governing Governors and Heads of Branches covering the key areas for which they are responsible. They provide confirmation that all necessary steps required to implement effective internal control have or have not been taken during the course of the financial year.
- A Fraud Policy and Response Plan has been in place and operated throughout the period. An anti-fraud campaign launched in 2008 has been reinforced at the targeted fraud awareness training sessions during the year.
- The CCC, which is chaired by a Non-Executive Director, met three times during the 2009-10 financial year. The Committee advises on the adequacy of corporate governance arrangements including internal audit, risk management and standards compliance. The CCC approves Internal Audit plans and reviews reports from both Internal and External Audits. In line with good practice external Audit is represented at all CCC meetings. The Committee assist me by drawing my attention to matters of governance, risk control and assurance.
- An Internal Audit Unit operating to the Government Internal Audit Standards conducts risk based audit assignments and reports the outcome to the CCC regularly. Internal Audit submits regular reports, including the Head of Internal Audit's independent opinion, on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement. An annual meeting with the Head of Internal Audit is held to discuss the audit programme and emerging issues.
- NIPS has given priority to developing its fixed asset management arrangements as recommended by Internal Audit. A new post was created in January 2010 to address control weaknesses as identified by Internal Audit.
- The Service has an Integrated Standards Manual, published on the NIPS staff intranet, which is designed to provide staff with the information they require to carry out their work. Alongside this programme is an integrated internal auditing system that enables performance to be measured against these standards with regular reports made to senior management.
- Annual audits of Health and Safety and Fire Prevention are carried out to ensure compliance with Health and Safety standards within the Agency. Lack of refresher fire safety training for staff in establishments was highlighted as an issue and measures were taken to increase it.
- The South Eastern Health and Social Care Trust, and the wider Health and Personal Social Services (HPSS), took lead responsibility for prisoner healthcare on 1 April 2008. Clinical Governance is now well developed within the HPSS and has become the statutory responsibility of all HPSS Trusts with Chief Executives as those responsible for the quality of health and social care. To help drive this agenda, a Regional NIPS Corporate Governance Committee including the South Eastern Trust has been operating since 2008.
- An HR Equality and Diversity Manager was in post throughout the year to implement the Service's Diversity policy.
- An Equality Adviser was in post throughout the year to provide advice and assurances on equality issues.
- The Service has adopted the OGC Gateway Review process to assist in the management of risk on ongoing major procurement projects.
- Blueprint, the Strategic Development Programme, has been undertaken in line with PRINCE 2 project methodology.
- All projects are required to apply appropriate elements of PRINCE 2 methodology and every designated project has a Senior Responsible Owner.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

- Internal Audit reviewed NIPS Procurement in 2009-10 and raised some concern about a number of contracts which were running in extension periods as the original contract date had expired. Their report concluded that policies and procedures are now in place to direct the work of the NIPS procurement unit, which include regular meetings between NIPS and Central Procurement Directorate (CPD) to resolve any issues at an early stage. NIPS and CPD have also established an agreed Service Level Agreement and the Contracts Register which includes details of all contracts and extensions is now tabled at every Corporate Compliance Committee meeting.
- During the year the Capital Planning Committee (CPC) chaired by the Deputy Director of Finance and Personnel met on four occasions. The role of the CPC is to coordinate, monitor and review the allocation of capital funding to capital schemes within NIPS and to ensure all projects are properly supported with a robust Business Case. The CPC is supported by the Minor Works Steering Group who meet quarterly to assess and prioritise requests for minor works, up to £500k, on an estate wide basis.
- The Service has operated a policy on the acceptance of gifts and hospitality throughout the period.
- The Service measured and reported compliance with the NIO guidance on the use of consultants to the CCC regularly.
- An up to date register is in place to record conflicts of interest.
- The Prison Service operates a Procurement Policy in line with European Procurement Rules and other national and international agreements.
- Work is continuing to map and monitor NIPS progress against the implementation of scrutiny body recommendations onto a master action plan. However progress has been slow. Significant resources were applied to mapping and quality assuring the action planning process. As a result there has been a reappraisal of the system concluding that additional internal auditing resources would be required. I have responded to this need by charging a new Head of Standards, Audit and Compliance with revising audit and monitoring systems and introducing operational processes from autumn 2010.
- Actions have been taken during the year to tighten the system of control in the area of contractor payments from the Service. Further work was undertaken during the year to strengthen the assurance mechanisms already in place. A guidance manual was distributed on the processing of orders and audit of payments and Independent Quantity Surveyors provide an assurance role to quantify and validate costs of all projects over £10,000.

Following a review of internal procedures during 2007 over-claiming and subsequent over-payments were identified in a Day Work Term contract operated for building works where payments were made on the basis of time and materials expended. Affirmative remedial action was taken immediately once the issue was identified. The Prison Service took prompt action to strengthen internal control arrangements, as part of the improving internal controls project, and changed the contract procurement model to improve accountability and governance controls. A new multi-disciplinary Measured Term Contract (MTC) was procured (initially through a Defence Estates framework prior to the establishment of a dedicated Prison Service Contract).

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The changes to internal procedures identified over-claiming and subsequent overpayments to a single building contractor, estimated at around £650k over a five-year period from 2002. This case is currently the subject of arbitration proceedings and the Prison Service is confident that this will result in recovery of monies.

A wider review identified two other contractors who similarly have been over claiming on invoices, the combined value is estimated to be £600k over a five-year period from 2002. Following discussions with legal representatives, the contractors are presently co-operating with the Prison Service and both contractors have accepted there are anomalies in their invoices and are willing to arrive at a settlement in an effort to resolve the matter amicably without recourse to litigation. However there remains the potential for either party, in each instance, to instigate legal proceedings, if so required.

As Accounting Officer, I have carefully considered these control arrangements and satisfied myself that I can rely on their effectiveness throughout the 2009-10 year. I will continue to develop and strengthen the control arrangements in the Prison Service in the coming year.



**Robin Masefield**  
17 June 2010

# AUDITORS REPORT

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Northern Ireland Prison Service for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Changes in Taxpayers' Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements.

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

### Opinion on Regularity

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

### Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31 March 2010, and of the net operating cost, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Report by the Director General and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

# AUDITORS REPORT

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

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

- Adequate accounting records have not been kept; or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit.
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP*

**30 June 2010**

# FINANCIAL STATEMENTS

## OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009-10		Income	2008-09
		Staff Costs	Other Costs		Restated
		£000	£000	£000	£000
<b>Administration Costs</b>					
Staff costs	4	8,675			8,644
Other administrative costs	5		5,928		5,534
Operating income	8			(145)	(145)
<b>Programme Costs</b>					
Staff costs	4	81,889			87,393
Programme costs	6		45,622		40,178
Grant	7		298		282
Income	8			(2,209)	(2,186)
<b>Totals</b>		90,564	51,848	(2,354)	139,700
<b>Net Operating Cost</b>				<b>140,058</b>	<b>139,700</b>

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

The notes on pages 75 to 99 form part of these accounts

# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	2010 £000	2009 Restated £000	2008 Restated £000
<b>Non-current assets</b>				
Property, plant and equipment	9	214,994	237,923	236,127
Intangible assets	10	166	213	188
Trade and other receivables	14	49	21	14
Financial assets	11	2,104	2,452	2,823
<b>Total non-current assets</b>		<b>217,313</b>	<b>240,609</b>	<b>239,152</b>
<b>Current assets</b>				
Inventories	13	1,669	1,538	1,572
Trade and other receivables	14	699	1,173	359
Financial assets	11	401	411	430
Cash and cash equivalents	15	38	58	65
<b>Total current assets</b>		<b>2,807</b>	<b>3,180</b>	<b>2,426</b>
<b>Total assets</b>		<b>220,120</b>	<b>243,789</b>	<b>241,578</b>
<b>Current liabilities</b>				
Cash and cash equivalents	15	(3,407)	(396)	(4,526)
Trade and other payables	16	(13,548)	(14,431)	(24,493)
<b>Total current liabilities</b>		<b>(16,955)</b>	<b>(14,827)</b>	<b>(29,019)</b>
<b>Non-current assets less net current liabilities</b>		<b>203,165</b>	<b>228,962</b>	<b>212,559</b>
<b>Non-current liabilities</b>				
Provisions	18	(9,680)	(8,212)	(5,552)
Other payables	16	(15)	(21)	(11)
<b>Total non-current liabilities</b>		<b>(9,695)</b>	<b>(8,233)</b>	<b>(5,563)</b>
<b>Assets less liabilities</b>		<b>193,470</b>	<b>220,729</b>	<b>206,996</b>
<b>Taxpayers' Equity</b>				
General fund		167,864	170,958	140,301
Revaluation reserve		25,606	49,771	66,695
<b>Total Taxpayers' Equity</b>		<b>193,470</b>	<b>220,729</b>	<b>206,996</b>

Signed



**Robin Masefield**  
Accounting Officer

17 June 2010

Figures for 2007-08 and 2008-09 have been restated in line with International Financial Reporting Standards

The notes on pages 75 to 99 form part of these accounts

# FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009-10 £000	2008-09 Restated £000
<b>Cash flows from operating activities</b>			
Net operating cost	3	(140,058)	(139,700)
Adjustments for non-cash transactions		24,846	25,077
(Increase)/decrease in trade and other receivables	14	446	(821)
<i>less movements in receivables relating to items not passing through OCS</i>	14	(8)	(1)
(Increase)/decrease in inventories	13	(131)	34
Increase/(decrease) in trade payables	16	(889)	(10,052)
<i>less movements in payables relating to items not passing through OCS</i>		2,835	3,344
Use of provisions		(2,116)	(1,548)
Machinery of Government - Healthcare		–	(475)
<b>Net cash outflow from operating activities</b>		<b>(115,075)</b>	<b>(124,142)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(13,242)	(26,601)
Purchase of intangible assets	10	(36)	–
Items funded by Northern Ireland Office		262	273
Proceeds on disposal of property, plant and equipment		4	25
Loans to other bodies	11	(7)	(7)
Repayment from other bodies	11	467	510
<b>Net cash outflow from investing activities</b>		<b>(12,552)</b>	<b>(25,800)</b>
<b>Cash flows from financing activities</b>			
Financing from Northern Ireland Office		124,586	154,065
<b>Net financing</b>		<b>124,586</b>	<b>154,065</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>			
		(3,041)	4,123
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		78	30
Payments of amounts due to the Consolidated Fund		(68)	(30)
<b>Cash and cash equivalents at the beginning of the period</b>	15	(338)	(4,461)
<b>Cash and cash equivalents at the end of the period</b>	15	<b>(3,369)</b>	<b>(338)</b>

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

The notes on pages 75 to 99 form part of these accounts

# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 31 March 2008</b>		143,839	66,695	210,534
Changes in accounting policy	2	(3,538)	–	(3,538)
Restated balance at 1 April 2008		140,301	66,695	206,996
<b>Changes in taxpayers' equity for 2008-09</b>				
Net gain on revaluation of property, plant and equipment	9	–	(10,045)	(10,045)
Transfer of assets from Northern Ireland Office		272	–	272
Transfer of Healthcare to DHSSPS(NI)		(475)	–	(475)
Non-cash charges - cost of capital	6	7,616	–	7,616
Non-cash charges - auditors' remuneration	5	54	–	54
Non-cash charges - other		1,946	–	1,946
Transfers between reserves		6,879	(6,879)	–
Net cost of operations	3	(139,700)	–	(139,700)
<b>Total recognised income and expense for 2008-09</b>		<b>(123,408)</b>	<b>(16,924)</b>	<b>(140,332)</b>
Funding from Northern Ireland Office		154,065	–	154,065
<b>Balance at 31 March 2009</b>		<b>170,958</b>	<b>49,771</b>	<b>220,729</b>
<b>Changes in taxpayers' equity for 2009-10</b>				
Net gain on revaluation of property, plant and equipment	9,10	–	(21,452)	(21,452)
Transfer of assets from Northern Ireland Office		262	–	262
Non-cash charges - cost of capital	6	7,248	–	7,248
Non-cash charges - auditors' remuneration	5	56	–	56
Non-cash charges - other		2,099	–	2,099
Transfers between reserves		2,713	(2,713)	–
Net cost of operations	3	(140,058)	–	(140,058)
<b>Total recognised income and expense for 2009-10</b>		<b>(127,680)</b>	<b>(24,165)</b>	<b>(151,845)</b>
Funding from Northern Ireland Office		124,586	–	124,586
<b>Balance at 31 March 2010</b>		<b>167,864</b>	<b>25,606</b>	<b>193,470</b>

The notes on pages 75 to 99 form part of these accounts

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury and directions given by HM Treasury in pursuance of section 7 (2) of the Government Resources and Accounts Act 2000. 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 has been judged to be the most appropriate to the particular circumstances of the Northern Ireland Prison Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Prison Service are described below. They have been applied consistently in dealing with items considered material to the financial statements.

### 1.1 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories and the revaluation of financial instruments which are recorded in the Statement of Financial Position at their fair value, being the carrying amount discounted to present value at the effective rate of interest of 3.5%.

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

### 1.2 OPERATING INCOME

Operating income is income that relates directly to the operating activities of the Northern Ireland Prison Service. This includes income from Trading Activities in relation to prisoners and staff catering and is shown gross on the face of the Operating Cost Statement and in Note 8 with related costs and expenses shown separately in Notes 5 and 6 of these financial statements.

### 1.3 PROPERTY, PLANT AND EQUIPMENT

Freehold land and buildings on the Northern Ireland Prison Service estate are capitalised where title is held by the Agency. Land and buildings are subject to professional valuation at least once every five years and revalued using Land and Property Services indices in intervening years.

In line with the requirements of IAS 16 the Northern Ireland Prison Service has considered the impact of breaking property, plant and equipment assets down into identifiable components with different useful lives and accounting for them separately. The result of our analysis concludes that the application of componentisation principles to Land and Buildings would not have a material effect on the carrying values of these assets as reported and therefore no adjustment has been made to cumulative depreciation or the net book values of these assets in the financial accounts for the year ended 31 March 2010.

Other capital assets are carried at current cost using indices compiled by the Office for National Statistics. The standard threshold for capitalisation is £1,000, with minor works and cell furniture expensed in the year of purchase. Lower thresholds apply to certain types of IT equipment.

Expenditure on office furniture and equipment is classified as capital expenditure if the purchase cost of an individual item is over the standard threshold of £1,000.

An exception to this is if, as the result of a refurbishment or the establishment of a new office or project, a pool of new office furniture or equipment is purchased with individual items costing less than £1,000 but the total purchase costs are more than £1,000.

Properties regarded by the Agency as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties regarded by the Agency as non-operational are valued on the basis of open market value.

In line with IFRS 5 the Northern Ireland Prison Service has restated those assets categorised as Assets Held for Sale and recategorised them as Land. This is due to the delay in the sale of the Girdwood Barracks site, which is not likely to complete in the 2010-11 financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## 1.4 INTANGIBLE ASSETS

Purchased computer software licences are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Intangible assets are stated at their market value. Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets concerned.

## 1.5 FINANCIAL INSTRUMENTS

Under IAS 39 and IFRS 7, the Northern Ireland Prison Service is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 3.5% in line with Treasury guidelines. The Northern Ireland Prison Service does not hold any other financial instruments.

## 1.6 DEPRECIATION AND AMORTISATION

Freehold land is not depreciated.

Provision for depreciation and amortisation is made to write-off the cost of property, plant and equipment and intangible assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction or assets awaiting disposal are not depreciated. The expected useful lives of assets are as follows:

- Permanent buildings	up to 55 years
- Temporary buildings	10 - 25 years
- Plant and Equipment	3 - 25 years
- Furniture and Office Equipment	3 - 15 years
- Information Technology and Software	3 - 8 years
- Vehicles	5 - 20 years

## 1.7 REALISED ELEMENT OF DEPRECIATION FROM REVALUATION RESERVE

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of the depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on revaluation and is transferred from the Revaluation Reserve to the General Fund.

## 1.8 INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

## 1.9 PENSION COSTS

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS (NI)] and the Principal Civil Service Pension Scheme (GB) [PCSPS (GB)]. Liability for payment of future benefits is a charge to the PCSPS (NI) and PCSPS (GB). The Agency meets the cost of pension cover through the payment of charges calculated on an accruing basis. Contributions are charged to the Operating Cost Statement as incurred.

## 1.10 EMPLOYEE BENEFITS

Under IAS 19 an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the service. The Northern Ireland Prison Service has therefore recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in Current Liabilities and in Staff Costs for both administration and programme staff across the service.

## 1.11 PROVISION FOR LIABILITIES AND CHARGES

The Northern Ireland Prison Service provides for legal and 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. Where the effect of the time value of money is material, the estimated cash flows are discounted.

## 1.12 CONTINGENT LIABILITIES

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 1.13 OPERATING LEASES

Operating lease rentals are charged to the Operating Cost Statement as incurred.

## 1.14 GRANTS

Grants payable to third parties are charged to the Operating Cost Statement as the recipient carries out the activity that creates entitlement.

## 1.15 EARLY RETIREMENT COSTS

The Agency is required to meet the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pension age. The Agency provides in full for this cost when the early retirement programme is announced.

## 1.16 VAT

The majority of the activities of the Northern Ireland Prison Service are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment. Where output tax is charged or input VAT is recoverable the amounts are stated net of VAT.

## 1.17 ADMINISTRATION AND PROGRAMME EXPENDITURE

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by HM Treasury.

## 1.18 NOTIONAL COSTS

Some of the costs directly related to the running of the Northern Ireland Prison Service are borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

## 1.19 CAPITAL CHARGE

A charge, reflecting the cost of capital utilised by the Northern Ireland Prison Service, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities.

## 1.20 INSURANCE

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

## 1.21 FUNDING

The Northern Ireland Prison Service is financed by supply estimates voted by Parliament. Its provision was set out in Request for Resources 1 of the Northern Ireland Office for this reporting period.

## 1.22 THIRD PARTY ASSETS

The Northern Ireland Prison Service holds, as custodian, certain assets belonging to third parties. These assets consist of cash held in respect of a Prisoners' Amenity Fund administered by each prison establishment and used for the welfare and benefit of all prisoners. Also included are cash amounts belonging to prisoners in the Prisoners' Personal Cash (PPC) accounts, held in the Northern Ireland Prison Service's bank account. PPC balances are disclosed at Note 25, but not elsewhere in these accounts since neither the Agency nor the Government more generally has a direct beneficial interest in them.

## 1.23 RELATED PARTY TRANSACTIONS

The Northern Ireland Prison Service is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Northern Ireland Prison Service or to be controlled or influenced by the Northern Ireland Prison Service. Disclosure of these transactions allows readers to assess the extent to which the Northern Ireland Prison Service might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Northern Ireland Prison Service.

# NOTES TO THE FINANCIAL STATEMENTS

## 1.24 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 Northern Ireland Prison Service's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) - Depreciation of property, plant and equipment

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.6.

(ii) - Impairment of property, plant and equipment

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

(iii) - Injury on Duty Awards life expectancy assumption

Benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to the Northern Ireland Prison Service are payable to former employees for life. Analysis work has been undertaken during 2009-10 to provide statistical base data for life expectancy of prison officers and the Northern Ireland Prison Service has arrived at an estimated life expectancy of 70 years, which has been applied to awards payable in order to determine an estimate of the net present cost of liabilities at the end of this reporting period.

Other than depreciation, provisions and employee benefits, no material accounting estimates or judgements were made by the Northern Ireland Prison Service in preparing these accounts.

## 1.25 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS ADOPTED IN THE YEAR ENDED 31 MARCH 2010

The Northern Ireland Prison Service implemented IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS) with the date of transition to IFRS being 1 April 2008 for the purposes of preparing the opening IFRS statement of financial position.

The following standards had a material impact on the financial statements:

- IAS 19 Employee Benefits
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Details of the financial impact of these standards are contained in Notes 1.2, 1.3, 1.10 and 2. Any adjustments arising from differing accounting policies resulting from the application of IFRS for the first time have been taken through the General Fund.

The Northern Ireland Prison Service has reviewed the remaining standards, interpretations and amendments to published standards that became effective during 2009-10 and which are relevant to its operations. The Northern Ireland Prison Service considers that the adoption of these standards has not had a significant impact on its results or financial position.

# NOTES TO THE FINANCIAL STATEMENTS

## 1.26 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Northern Ireland Prison Service's accounting periods beginning on or after 1 April 2010 or later periods, but which the Northern Ireland Prison Service has not adopted early. Other than as outlined in the table below, the Northern Ireland Prison Service does not anticipate that the adoption of these standards are relevant to its operations.

Standard	Description of revision	Application date	Comments
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Clarification surrounding disclosures. In line with IFRS 5 the Northern Ireland Prison Service has restated those assets categorised as Assets Held for Sale and recategorised them as Land. This is due to the delay in the sale of the Girdwood Barracks site, which is not likely to complete in the 2010-11 financial year. Unlikely to have a significant impact.
IFRS 8	Operating Segments — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Segment assets not required to be disclosed unless regularly reported to the Chief Operating Decision Maker - Northern Ireland Prison Service has disclosed Income, Gross and Net Expenditure by geographical segment as pertains to each operational establishment and is consistent with the management approach and internal reporting structures existing within the Northern Ireland Prison Service.
IAS 7	Statement of Cash Flows — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Clarification that only cash flows resulting in the recognition of an asset can be classified as investing activities. Unlikely to lead to change.
IAS 24	Related Party Disclosures — Revised definition of related parties	Annual periods beginning on or after 1 January 2011	Inclusion of a partial exemption for government-related entities. Given that the FReM interprets the related party requirements significantly to reduce the disclosure on transactions between public sector entities it is unlikely that this will have significant impact.

# NOTES TO THE FINANCIAL STATEMENTS

## 1.26 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS NOT YET EFFECTIVE (continued)

In addition, the Northern Ireland Prison Service has considered the additional or revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2010-11. Other than as outlined in the table below, the Northern Ireland Prison Service considers that these changes are not relevant to its operations.

Chapter in FReM 2010-11	Area Affected	Description of revision	Comments
8	Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Clarification surrounding disclosures. In line with IFRS 5 the Northern Ireland Prison Service has restated those assets categorised as Assets Held for Sale and recategorised them as Land. This is due to the delay in the sale of the Girdwood Barracks site, which is not likely to complete in the 2010-11 financial year. Unlikely to have a significant impact.
11	Operating Segments — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Segment assets not required to be disclosed unless regularly reported to the Chief Operating Decision Maker - Northern Ireland Prison Service has disclosed Income, Gross and Net Expenditure by geographical segment as pertains to each operational establishment and is consistent with the management approach and internal reporting structures existing within the Northern Ireland Prison Service.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. FIRST-TIME ADOPTION OF IFRS

### Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the date of transition 1 April 2008

	General Fund £000	Revaluation Reserve £000
<b>Taxpayers' equity at 31 March 2008 under UK GAAP</b>	143,839	66,695
Adjustments for:		
IAS 19 Employee benefits	(3,538)	–
<b>Taxpayers' equity at 1 April 2008 under IFRS</b>	<b>140,301</b>	<b>66,695</b>

### Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of the final UK GAAP reporting period 31 March 2009

	General Fund £000	Revaluation Reserve £000
<b>Taxpayers' equity at 31 March 2009 under UK GAAP</b>	174,876	49,771
Adjustments for:		
IAS 19 Employee benefits	(3,918)	–
<b>Taxpayers' equity at 1 April 2009 under IFRS</b>	<b>170,958</b>	<b>49,771</b>

### Reconciliation of UK GAAP reported net operating cost to IFRS for year ended 31 March 2009

	£000
<b>Net operating cost for 2008-09 under UK GAAP</b>	139,320
Adjustments for:	
IAS 19 Employee benefits	380
<b>Net operating cost for 2008-09 under IFRS</b>	<b>139,700</b>

In addition to the cash balances of £58,212 reported under UK GAAP at 31 March 2009, the Agency held cash equivalents of £ NIL.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. ANALYSIS OF NET EXPENDITURE BY SEGMENT FOR THE YEAR ENDED 31 MARCH 2010

<b>2009-10</b>	<b>Maghaberry £000</b>	<b>Magilligan £000</b>	<b>Hydebank £000</b>	<b>Others £000</b>	<b>Total £000</b>
Gross Expenditure	61,369	30,626	24,436	25,981	<b>142,412</b>
Income	(1,173)	(584)	(353)	(244)	<b>(2,354)</b>
Net Expenditure	<b>60,196</b>	<b>30,042</b>	<b>24,083</b>	<b>25,737</b>	<b>140,058</b>

<b>2008-09 (Restated)</b>	<b>Maghaberry £000</b>	<b>Magilligan £000</b>	<b>Hydebank £000</b>	<b>Others £000</b>	<b>Total £000</b>
Gross Expenditure	59,830	30,490	24,397	27,314	<b>142,031</b>
Income	(1,151)	(614)	(371)	(195)	<b>(2,331)</b>
Net Expenditure	<b>58,679</b>	<b>29,876</b>	<b>24,026</b>	<b>27,119</b>	<b>139,700</b>

In line with the requirements of IFRS 8, the Northern Ireland Prison Service has reported on Income, Gross and Net Expenditure by geographical segment as pertains to each operational establishment and is consistent with the management approach and internal reporting structures existing within the Northern Ireland Prison Service.

The 'Others' segment reported in Note 3 above consists of all Headquarters functions, the Prison Service College and the Prisoners' Escorting and Court Custody Service.

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 4. STAFF NUMBERS AND RELATED COSTS

Staff costs comprise:				
	Total	2009-10 Permanently Employed Staff	Others	2008-09 Total
	£000	£000	£000	Restated £000
<b>Administration costs</b>				
Wages and salaries	6,908	6,749	159	6,907
Social security costs	513	513	–	516
Other pension costs	1,254	1,254	–	1,221
<b>Total administration staff costs</b>	<b>8,675</b>	<b>8,516</b>	<b>159</b>	<b>8,644</b>
<b>Programme costs</b>				
Wages and salaries	64,555	64,324	231	64,235
Social security costs	4,885	4,885	–	4,986
Other pension costs	12,449	12,449	–	18,172
<b>Total programme staff costs</b>	<b>81,889</b>	<b>81,658</b>	<b>231</b>	<b>87,393</b>
<b>Total staff costs</b>	<b>90,564</b>	<b>90,174</b>	<b>390</b>	<b>96,037</b>

Included in Programme Staff Costs for the year are costs totalling £72k (2008-09: £230k) relating to the inquiry into the murder of Billy Wright in the Maze Prison in 1997 - see also Note 6.

Staff costs of £76k (2008-09: £18k) have been capitalised for staff directly assigned to major capital projects.

From 2009-10 the costs in respect of Injury Awards and Early Departure Costs (including provisions for future liabilities) have been disclosed in Programme Costs (Note 6) rather than Staff Costs. The 2008-09 comparative figures have not been restated.

## PENSIONS

The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] and Principal Civil Service Pension Scheme [PCSPS(GB)] are unfunded multi-employer defined benefit schemes but the Northern Ireland Prison Service is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2007 and details of this valuation are available in the PCSPS(NI) resource accounts or the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

Figures for 2008-09 have been restated in line with International Financial Reporting Standards.

# NOTES TO THE FINANCIAL STATEMENTS

## 4. STAFF NUMBERS AND RELATED COSTS (continued)

For 2009-10, employer's contributions of £13,669,923 were payable to the PCSPS(NI) and the PCSPS(GB) (2008-09: £13,509,207) at one of four rates in the range 16.5% to 24% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2010-11, the rates will be in the range 18% to 26%. The contribution rates are set to meet the costs of the benefits accruing during 2009-10 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £33,427 (2008-09: £26,854) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer's contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,063 (2008-09: £1,463), 0.8% of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

### Ill-health retirement

20 individuals (2008-09: 22) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £25,744 (2008-09: £26,953).

### Average number of persons employed

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

Number	2009-10			2008-09
	Total	Permanent staff	Others	Total
<b>Administration staff</b>				
Uniformed grades	44	44	–	48
Administration and support	191	184	7	202
Staff engaged on capital projects	2	2	–	–
<b>Total</b>	<b>237</b>	<b>230</b>	<b>7</b>	<b>250</b>
<b>Programme staff</b>				
Uniformed grades	1,848	1,848	–	1,787
Administration and support	282	269	13	268
Staff engaged on capital projects	–	–	–	–
<b>Total</b>	<b>2,130</b>	<b>2,117</b>	<b>13</b>	<b>2,055</b>
<b>Total</b>	<b>2,367</b>	<b>2,347</b>	<b>20</b>	<b>2,305</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 5. OTHER ADMINISTRATIVE COSTS

	2009-10	2008-09
	£000	Restated £000
Staff related costs	1,027	1,150
Rates	184	159
Heat, light and power	683	224
Repairs and maintenance	765	679
Rentals under operating leases – buildings	187	187
Rentals under operating leases – non land and buildings	10	11
Telecommunications	386	374
Equipment and office supplies	350	276
Hospitality	13	14
Trading activities	28	47
Other costs	774	979
<b>Non-cash costs</b>		
Provisions provided for in year	22	10
<b>Notional administrative costs provided by Parent Department</b>		
IT support	1,105	1,105
Legal costs	110	50
Internal audit	112	101
<b>Notional administrative costs provided by Other Departments and Agencies</b>		
Auditors' remuneration	56	54
Telecoms	116	114
<b>Total Other Administrative Costs</b>	<b>5,928</b>	<b>5,534</b>

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 6. PROGRAMME COSTS

	Note	2009-10 £000	2008-09 Restated £000
Prisoner accommodation and related expenditure		3,430	3,506
Prisoner education, training and initiatives		1,445	1,402
Other prisoner related costs		3,092	2,697
Staff related costs	6 <sup>1</sup>	1,437	1,986
Rates		1,775	1,518
Heat, light and power		4,348	4,549
Repairs and maintenance		2,854	2,168
Rentals under operating leases – non land and buildings		12	24
Telecommunications		305	281
Equipment and office supplies		529	534
Hospitality		23	26
Trading activities		2,028	1,984
Other costs	6 <sup>1</sup>	1,018	1,683
<b>Non-cash costs</b>			
Depreciation	9	12,588	11,204
Amortisation	10	105	88
Loss/(Profit) on disposal of property, plant and equipment		7	(10)
(Reversal of)/Permanent diminution of property, plant and equipment	12	(886)	85
Write off of property, plant and equipment		148	–
Cost of capital charges		7,248	7,616
Notional interest receivable	6 <sup>2</sup>	(102)	(113)
Provisions provided for in year	6 <sup>3</sup>	3,461	(1,626)
Unwinding of discount on provisions	18	101	–
<b>Notional programme costs provided by Parent Department</b>			
Legal costs	6 <sup>1</sup>	656	576
<b>Total Other Programme Costs</b>		<b>45,622</b>	<b>40,178</b>

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 6. PROGRAMME COSTS (CONTINUED)

### 6<sup>1</sup> BILLY WRIGHT INQUIRY

Included within Programme 'Other costs' are £276k (2008-09: £870k) relating to expenditure incurred by the Agency during the year on the inquiry into the murder of Billy Wright in the Maze prison in 1997. Also, within Programme 'Staff related costs' are £1k (2008-09: £10k) related to the inquiry. An additional £66k (2008-09: £304k) of notional legal costs of the Crown Solicitor's Office are included within 'Notional programme costs provided by Parent Department'. Including the £72k (2008-09: £230k) of staff costs disclosed in Note 4, the total cost of the inquiry to the Agency during 2009-10 was £415k (2008-09: £1,414k).

### 6<sup>2</sup> NOTIONAL INTEREST RECEIVABLE

Included within Programme Costs is £102k (2008-09: £113k) related to the calculated net interest receivable on housing loans, calculated at 3.5% of the amortised cost (fair value) of the loans (see Note 11 on Financial Instruments).

### 6<sup>3</sup> PROVISIONS

Included within Programme Costs are £3,461k for provisions provided for in the year. These figures include £1,591k for Litigation and a release of £2k for superannuation payments for former part-time teachers. The figures also include £1,872k for Injury Awards provisions made in the year. The Injury Awards, Early Departure Costs and Teachers Superannuation provisions were included in Staff Costs (Note 4) in the 2008-09 financial statements. The 2008-09 comparative figures in these financial statements have not been restated.

## 7. GRANT

A grant of £298k (2008-09: £282k) was paid by the Northern Ireland Prison Service to the Prison Service Trust to provide healthcare, life planning and support services for family members of murdered prison officers, officers who died in service and officers who retired on health grounds.

# NOTES TO THE FINANCIAL STATEMENTS

## 8. OPERATING INCOME

	2009-10	2008-09
	£000	£000
<b>Administration Income</b>		
Sale of goods and services	145	145
	<b>145</b>	<b>145</b>
<b>Programme Income</b>		
Sale of goods and services	2,098	2,123
Prisoner productions	17	21
Video-link services	38	29
Staff accommodation	11	10
European Funding	45	–
Miscellaneous	–	3
	<b>2,209</b>	<b>2,186</b>
<b>Total Operating Income</b>	<b>2,354</b>	<b>2,331</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 9. PROPERTY, PLANT AND EQUIPMENT

	Land £000	Buildings £000	Dwellings £000	Information Technology £000	Plant & Machinery £000	Vehicles £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
<b>Cost or Valuation</b>									
At 1 April 2009 (restated)	7,170	245,862	2,088	11,550	37,392	3,459	2,262	3,804	313,587
Additions	–	–	–	753	641	439	136	8,438	10,407
Disposals	–	–	–	(14)	(469)	(2)	(2)	(148)	(635)
Impairments	–	–	–	1,633	–	–	–	–	1,633
Reclassifications	–	5,647	–	–	1,312	55	205	(7,219)	–
Revaluations	(1,331)	(23,700)	–	106	812	107	35	–	(23,971)
<b>At 31 March 2010</b>	<b>5,839</b>	<b>227,809</b>	<b>2,088</b>	<b>14,028</b>	<b>39,688</b>	<b>4,058</b>	<b>2,636</b>	<b>4,875</b>	<b>301,021</b>
<b>Depreciation</b>									
At 1 April 2009 (restated)	–	50,641	224	4,286	18,475	1,436	602	–	75,664
Charged in year	–	8,245	74	1,286	2,500	334	149	–	12,588
Disposals	–	–	–	(13)	(459)	(2)	(1)	–	(475)
Impairments	–	–	–	764	–	–	–	–	764
Reclassifications	–	–	–	–	–	–	–	–	–
Revaluations	–	(2,990)	–	9	410	48	9	–	(2,514)
<b>At 31 March 2010</b>	<b>–</b>	<b>55,896</b>	<b>298</b>	<b>6,332</b>	<b>20,926</b>	<b>1,816</b>	<b>759</b>	<b>–</b>	<b>86,027</b>
<b>Net Book Value</b>									
<b>At 31 March 2010</b>	<b>5,839</b>	<b>171,913</b>	<b>1,790</b>	<b>7,696</b>	<b>18,762</b>	<b>2,242</b>	<b>1,877</b>	<b>4,875</b>	<b>214,994</b>
At 1 April 2009 (restated)	7,170	195,221	1,864	7,264	18,917	2,023	1,660	3,804	<b>237,923</b>
<b>Asset financing:</b>									
Owned	5,839	171,913	1,790	7,696	18,762	2,242	1,877	4,875	214,994
Finance Leased	–	–	–	–	–	–	–	–	–
On-balance sheet	–	–	–	–	–	–	–	–	–
PFI Contracts	–	–	–	–	–	–	–	–	–
<b>Net book value at 31 March 2010</b>	<b>5,839</b>	<b>171,913</b>	<b>1,790</b>	<b>7,696</b>	<b>18,762</b>	<b>2,242</b>	<b>1,877</b>	<b>4,875</b>	<b>214,994</b>

All land and buildings are freehold except for Girdwood Barracks which is leasehold with an NBV at 31 March 2010 of £300k (31 March 2009: £375k)

Land and Property Services (LPS) carried out a full valuation of land and buildings at 1 April 2006, in accordance with the RICS Appraisal and Valuation Manual. The next full valuation of land and buildings will be 1 April 2011.

Included in buildings, property at Lisnevin has continued to be valued at its replacement cost of £518k because although it is surplus property it is anticipated that the site would achieve a higher sales price if it is sold together with the neighbouring site of the Prison Service College. While the Prison Service College will be disposed of once the new joint facility with the Police and Fire Service is available, this will not be until 2013, therefore it would be inappropriate to value the land at Lisnevin at its open market value (£2.575million) as valued by LPS on 31 March 2010.

# NOTES TO THE FINANCIAL STATEMENTS

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

	Land £000	Buildings £000	Dwellings £000	Information Technology £000	Plant & Machinery £000	Vehicles £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
<b>Cost or Valuation</b>									
At 1 April 2008 (restated)	7,643	225,153	2,610	7,251	35,245	3,498	1,963	18,981	302,344
Additions	–	–	–	539	936	216	70	21,497	23,258
Disposals	–	–	–	(119)	(118)	(472)	–	–	(709)
Impairments	–	–	–	(193)	–	–	–	–	(193)
Reclassifications	–	31,059	–	4,072	1,237	–	191	(36,674)	(115)
Revaluations	(473)	(10,350)	(522)	–	92	217	38	–	(10,998)
<b>At 31 March 2009</b>	<b>7,170</b>	<b>245,862</b>	<b>2,088</b>	<b>11,550</b>	<b>37,392</b>	<b>3,459</b>	<b>2,262</b>	<b>3,804</b>	<b>313,587</b>
<b>Depreciation</b>									
At 1 April 2008 (restated)	–	44,093	163	3,734	16,239	1,519	469	–	66,217
Charged in year	–	7,616	115	772	2,283	296	122	–	11,204
Disposals	–	–	–	(110)	(114)	(470)	–	–	(694)
Impairments	–	–	–	(110)	–	–	–	–	(110)
Reclassifications	–	–	–	–	–	–	–	–	–
Revaluations	–	(1,068)	(54)	–	67	91	11	–	(953)
<b>At 31 March 2009</b>	<b>–</b>	<b>50,641</b>	<b>224</b>	<b>4,286</b>	<b>18,475</b>	<b>1,436</b>	<b>602</b>	<b>–</b>	<b>75,664</b>
<b>Net Book Value</b>									
<b>At 31 March 2009</b>	<b>7,170</b>	<b>195,221</b>	<b>1,864</b>	<b>7,264</b>	<b>18,917</b>	<b>2,023</b>	<b>1,660</b>	<b>3,804</b>	<b>237,923</b>
At 1 April 2008 (restated)	7,643	181,060	2,447	3,517	19,006	1,979	1,494	18,981	<b>236,127</b>
<b>Asset financing:</b>									
Owned	7,170	195,221	1,864	7,264	18,917	2,023	1,660	3,804	237,923
Finance Leased	–	–	–	–	–	–	–	–	–
On-balance sheet	–	–	–	–	–	–	–	–	–
PFI Contracts	–	–	–	–	–	–	–	–	–
<b>Net book value at 31 March 2009 (restated)</b>	<b>7,170</b>	<b>195,221</b>	<b>1,864</b>	<b>7,264</b>	<b>18,917</b>	<b>2,023</b>	<b>1,660</b>	<b>3,804</b>	<b>237,923</b>

All land and buildings are freehold except for Girdwood Barracks which is leasehold with an NBV at 31 March 2009 of £375k (31 March 2008: £375k)

Land and Property Services (LPS) carried out a full valuation of land and buildings at 1 April 2006, in accordance with the RICS Appraisal and Valuation Manual. The next full valuation of land and buildings will be 1 April 2011.

Included in Land, property at Lisnevin has continued to be valued at its replacement cost of £518k because although it is surplus property it is anticipated that the site would achieve a higher sales price if it is sold together with the neighbouring site of the Prison Service College. While the Prison Service College will be disposed of once the new joint facility with the Police and Fire Service is available, this will not be until 2013, therefore it would be inappropriate to value the land at Lisnevin at its open market value (£2.5million).

Figures for 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 10. INTANGIBLE ASSETS

The Agency's intangible assets comprise purchased computer software licences.

	<b>2009-10</b>
	<b>£000</b>
<b>Cost or Valuation</b>	
At 1 April 2009	643
Additions	36
Disposals	–
Impairments	92
Reclassifications	–
Revaluations	5
<b>At 31 March 2010</b>	<b>776</b>
<b>Amortisation</b>	
At 1 April 2009	430
Charged in year	105
Disposals	–
Impairments	75
Reclassifications	–
Revaluations	–
<b>At 31 March 2010</b>	<b>610</b>
<b>Net Book Value at 31 March 2010</b>	<b>166</b>
Net Book Value at 31 March 2009	213
	<b>2008-09</b>
	<b>£000</b>
<b>Cost or Valuation</b>	
At 1 April 2008	541
Additions	–
Disposals	–
Impairments	(13)
Reclassifications	115
Revaluations	–
<b>At 31 March 2009</b>	<b>643</b>
<b>Amortisation</b>	
At 1 April 2008	353
Charged in year	88
Disposals	–
Impairments	(11)
Reclassifications	–
Revaluations	–
<b>At 31 March 2009</b>	<b>430</b>
<b>Net Book Value at 31 March 2009</b>	<b>213</b>
Net Book Value at 31 March 2008	188

# NOTES TO THE FINANCIAL STATEMENTS

## 11. FINANCIAL INSTRUMENTS

	2009-10	2008-09	1 April 2008
	£000	Restated £000	Restated £000
<b>Housing Loans</b>			
Balance at 1 April	2,863	3,253	3,630
Additions	7	7	–
Disposals	(1)	(7)	–
Repayments	(467)	(503)	(498)
Impairments	1	(2)	–
Revaluations	102	115	121
<b>Balance at 31 March</b>	<b>2,505</b>	<b>2,863</b>	<b>3,253</b>
Loans repayable within 12 months transferred to financial assets < 1 Year	<b>(401)</b>	<b>(411)</b>	<b>(430)</b>
<b>Balance at 31 March due in more than 1 year</b>	<b>2,104</b>	<b>2,452</b>	<b>2,823</b>
<b>Balance at 31 March comprises:</b>			
Carrying value	2,857	3,318	3,821
Net discount at 3.5%	(328)	(429)	(545)
Impairment	(24)	(26)	(23)
<b>Amortised amount (Fair value) at 31 March</b>	<b>2,505</b>	<b>2,863</b>	<b>3,253</b>
Loans repayable within 12 months transferred to financial assets < 1 Year	–	–	–
	(401)	(411)	(430)
<b>Balance at 31 March due in more than 1 year</b>	<b>2,104</b>	<b>2,452</b>	<b>2,823</b>

As the cash requirements of the Northern Ireland Prison Service are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Under IAS 39 and IFRS 7, the Northern Ireland Prison Service is required to recognise, measure and disclose the elements of its 0% interest Housing Loan Scheme at fair value. These elements have been identified within both Non-current and Current Financial Assets. The carrying value has been discounted at a rate of 3.5% in line with Treasury guidelines. The Northern Ireland Prison Service had 327 loans to officers at 31 March 2010 (340 at 31 March 2009) and does not hold any other financial assets. The Northern Ireland Prison Service is therefore exposed to little credit, liquidity or market risk.

# NOTES TO THE FINANCIAL STATEMENTS

## 12. IMPAIRMENTS

Under IAS 16 a revaluation surplus is credited directly to equity under the heading of revaluation surplus, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, when it should be credited to the profit or loss to that extent.

The reversal of impairment for the financial year of £886k was due to positive indexation being applied to Information Technology and Intangible Assets in 2009-10. This reverses impairments to these classes of asset previously recognised as a charge to the Operating Cost Statement (Note 6).

Revaluations relating to additions to Information Technology and Intangible Assets in 2009-10 have been credited to the Revaluation Reserve as these assets would not have been impaired in previous financial years.

## 13. INVENTORIES

	2009-10	2008-09	1 April 2008
	£000	£000	£000
The main categories of inventory are:			
Consumables and equipment	984	902	815
Trade stores	267	251	244
Fuel stores	418	385	513
	<b>1,669</b>	<b>1,538</b>	<b>1,572</b>

## 14. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2009-10	2008-09	1 April 2008
	£000	£000	£000
<b>(i) Amounts falling due within one year:</b>			
Other receivables	189	793	43
Prepayments and accrued income	152	85	65
Receivables - European Funding	44	-	-
Recoverable VAT	314	295	251
	<b>699</b>	<b>1,173</b>	<b>359</b>
<b>(ii) Amounts falling due after more than one year</b>			
Other receivables	14	21	14
Prepayments and accrued income	35	-	-
	<b>49</b>	<b>21</b>	<b>14</b>

Included within Other Receivables is £18k (2008-09: £26k) that will be due to the Consolidated Fund once the debts are collected.

# NOTES TO THE FINANCIAL STATEMENTS

## 15. CASH AND CASH EQUIVALENTS

	2009-10	2008-09	1 April 2008
	£000	£000	£000
Balance at 1 April	(338)	(4,461)	(5,058)
Net change in cash and cash equivalent balances	(3,031)	4,123	597
Balance at 31 March	<b>(3,369)</b>	<b>(338)</b>	<b>(4,461)</b>

The following balances at 31 March were held at :

Commercial bank	(3,407)	(396)	(4,526)
Cash in hand	38	58	65
Balance at 31 March	<b>(3,369)</b>	<b>(338)</b>	<b>(4,461)</b>

The amounts above do not include Prisoners' Private Cash Accounts or Prisoners' Amenities Funds which have been classified as Third Party Assets as disclosed in Note 25.

## 16. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2009-10	2008-09	1 April 2008
	£000	Restated £000	Restated £000
<b>(i) Amounts falling due within one year</b>			
Taxation and social security	–	1,835	–
DFP superannuation	–	–	4,900
Trade payables	1,131	1,442	3,697
Capital retentions	625	722	610
Other payables	31	39	43
Accruals and deferred income	11,747	10,387	15,233
Consolidated Fund Extra Receipts <i>received</i> due to be paid to the Consolidated Fund	11	1	1
Consolidated Fund Extra Receipts <i>receivable</i> due to be paid to the Consolidated Fund	3	5	9
	<b>13,548</b>	<b>14,431</b>	<b>24,493</b>
<b>(ii) Amounts falling due after more than one year</b>			
Consolidated Fund Extra Receipts <i>receivable</i> due to be paid to the Consolidated Fund	15	21	11
	<b>15</b>	<b>21</b>	<b>11</b>

Figures for 2007-08 and 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 17. INTRA GOVERNMENTAL BALANCES

	<b>Receivables: Amounts Falling Due Within One Year £000</b>	<b>Receivables: Amounts Falling Due After One Year £000</b>	<b>Payables: Amounts Falling Due Within One Year £000</b>	<b>Payables: Amounts Falling Due After One Year £000</b>
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*Included in receivables and payables are the following intra-governmental balances at 31 March 2010*

Other Central Government Bodies	357	–	916	15
Local Authorities	–	–	2	–
NHS Trusts	125	–	–	–
Public Corporations and Trading Funds	1	–	330	–
Bodies External to Government	216	49	12,300	–
	<b>699</b>	<b>49</b>	<b>13,548</b>	<b>15</b>

*Included in receivables and payables are the following intra-governmental balances at 31 March 2009 (Restated)*

Other Central Government Bodies	333	–	3,400	21
Local Authorities	–	–	12	–
NHS Trusts	719	–	103	–
Public Corporations and Trading Funds	–	–	95	–
Bodies External to Government	121	21	10,821	–
	<b>1,173</b>	<b>21</b>	<b>14,431</b>	<b>21</b>

*Included in receivables and payables are the following intra-governmental balances at 31 March 2008 (Restated)*

Other Central Government Bodies	258	–	10,575	11
Local Authorities	–	–	2	–
NHS Trusts	–	–	8	–
Public Corporations and Trading Funds	–	–	–	–
Bodies External to Government	101	14	13,908	–
	<b>359</b>	<b>14</b>	<b>24,493</b>	<b>11</b>

Figures for 2007-08 and 2008-09 have been restated in line with International Financial Reporting Standards

# NOTES TO THE FINANCIAL STATEMENTS

## 18. PROVISIONS FOR LIABILITIES AND CHARGES

	Staff Reduction Programme £000	Early Departure Costs £000	Injury Awards £000	Litigation £000	Other £000	Total £000	2008-09 Total £000
<b>Balance at 1 April</b>	<b>5</b>	<b>179</b>	<b>5,849</b>	<b>1,804</b>	<b>375</b>	<b>8,212</b>	<b>5,552</b>
Provided in the year	–	–	3,042	2,644	28	5,714	7,393
Provisions not required written back	–	–	(1,169)	(815)	(9)	(1,993)	(3,185)
Provisions utilised in the year	(4)	(34)	(763)	(1,192)	(361)	(2,354)	(1,548)
Unwinding of discount	–	–	101	–	–	101	–
<b>Balance at 31 March</b>	<b>1</b>	<b>145</b>	<b>7,060</b>	<b>2,441</b>	<b>33</b>	<b>9,680</b>	<b>8,212</b>

The provisions for liabilities and charges represent the best estimate of the amount payable at the date of the Statement of Financial Position.

### Staff Reduction Programme

The provision for the Staff Reduction Programme arises from the downsizing of the Prison Service following the Belfast Agreement and the closure of the Maze Prison. The provision consists of additional pension costs due to the Principal Civil Service Pension Scheme (Northern Ireland), (PCSPS (NI)), payable through to 2010-11.

### Early Departure Costs

The provision for Early Departure Costs relates to additional compensation payments and flexible early retirement payments arising in respect of employees who depart early from service. The provision consists of additional pension costs due to the PCSPS (NI), which the Agency provides for when the early retirement programme becomes binding by establishing a provision for the estimated payments. These costs are payable over the period between early departure and normal retirement date for the respective employees. The provision runs through to 2015-16.

### Injury Awards

From 1 April 2006 all benefits payable under the Civil Service Injury Benefit Scheme (Northern Ireland) relating to the Northern Ireland Prison Service are charged to the Northern Ireland Prison Service by Civil Service Pensions (Northern Ireland) on a monthly basis. The allowance is payable to the former employee for life. An estimated life expectancy of 70 years has been applied. Analysis work has been undertaken during 2009-10 to provide statistical base data for life expectancy of prison officers. The Northern Ireland Prison Service has provided for the costs payable for the period between the date the allowance was awarded and 70 years of age.

During the 2009-10 financial year, the Northern Ireland Prison Service have been advised by HM Treasury and the Financial Reporting and Accountability Branch (FRAB) of the Department of Finance and Personnel (NI) that the

Civil Service Injury Benefit Scheme provision does not fall within the definition of a pension liability.

Previously the Northern Ireland Prison Service had discounted the costs payable by the Treasury discount rate for pension liabilities of 3.2% and inflation rate of 2.75%.

On the basis of advice received, the Northern Ireland Prison Service has discounted the costs payable by the Treasury discount rate for general provisions of 2.2 %.

This change of accounting estimate has resulted in a write back of provisions not required of £1.125 million in 2009-10. The balance of write back of provisions of £44k is due to 2 recipients dying during the financial year.

### Litigation

The litigation provision relates to legal claims against the Prison Service by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provision reflects all known claims where it is considered that it is probable that the claim will be successful and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

### Other

Other provisions as at 31 March 2010 include a tax provision. The tax provision relates to an estimated HM Revenue and Customs liability arising from Additional Housing Cost payments to prison officers under the Assisted Home Removals Scheme. The tax provision will be settled during the 2010-11 financial year.

In 2008-09 the Other provision included a pension liability that was settled in 2009-10. The pension liability arose from payments due to the Department of Finance & Personnel concerning the retrospective admission of part time teachers onto the Principal Civil Service Pension Scheme (Northern Ireland).

# NOTES TO THE FINANCIAL STATEMENTS

## 19. CAPITAL COMMITMENTS

	2009-10 £000	2008-09 £000
Contracted capital commitments at 31 March 2010 not otherwise included in these accounts:		
Property, plant and equipment	2,330	1,294
Intangible assets	–	–
	<b>2,330</b>	<b>1,294</b>

## 20. COMMITMENTS UNDER LEASES

### Operating Leases

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

#### Obligations under operating leases comprise:

	2009-10 £000	2008-09 £000
<b>Buildings</b>		
Not later than one year	187	187
Later than one year and not later than five years	–	–
Later than five years	–	–
	<b>187</b>	<b>187</b>
<b>Other</b>		
Not later than one year	3	4
Later than one year and not later than five years	1	4
Later than five years	–	–
	<b>4</b>	<b>8</b>

## 21. GRANT COMMITMENTS

At the year end the Agency is committed to the following grant payments to the Northern Ireland Prison Service Trust:

	2009-10 £000	2008-09 £000
Not later than one year	298	289
Later than one year and not later than five years	–	298
Later than five years	–	–
	<b>298</b>	<b>587</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 22. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

At the year end the Northern Ireland Prison Service has estimated contingent liabilities of £605k (2008-09: £587k) in respect of litigation claims against the Agency. These claims relate to legal claims against the Prison Service by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. They have not been provided for in the financial statements as the Northern Ireland Prison Service considers that it is not probable that they will be successful.

## 23. LOSSES AND SPECIAL PAYMENTS

### (a) Losses

During 2009-10 losses payments were made in 16 cases (2008-09: 15). The total amount paid in these cases was £616k (2008-09: £21k). One payment exceeded £250k.

A payment was made to Firmus Energy as a result of the Northern Ireland Prison Service renegotiating the contract for the supply of gas to Maghaberry Prison at more favourable rates than the original contract. This was a 'spend to save' initiative, and as part of the renegotiations the Northern Ireland Prison Service made a payment of £460k to allow the Northern Ireland Prison Service to benefit from reduced gas prices going forward to the end of the contract term in September 2011. As a result the Northern Ireland Prison Service will benefit from projected savings of £851k on gas supplies to the end of September 2011, a saving to the public purse. This payment is being reported as a loss in accordance with Managing Public Money.

### (b) Special Payments

Included in the litigation provision note (Note 18) are special payments. Amounts utilised during the year included 103 compensation payments (2008-09: 84) totalling £532k (2008-09: £625k). No individual payment exceeded £250k.

### (c) Other

Over claiming and subsequent overpayments to a single building contractor, estimated at around £650k, have been identified over a five year period since 2002. Following a review of internal procedures in 2007 the over claiming was identified and remedial action taken immediately. This case is currently the subject of arbitration proceedings and the Northern Ireland Prison Service is confident that this will result in recovery of monies. (A total of £138k is being retained on invoices submitted until resolution).

A wider review identified two other contractors who similarly have been over claiming on invoices, the combined value is estimated to be around £600k over a five year period since 2002 (against this a total of £297k is being withheld by the Northern Ireland Prison Service on invoices submitted until resolution). Following discussions with legal representatives, the contractors are presently co-operating with the Northern Ireland Prison Service and both contractors have accepted that there are anomalies in their invoices and are willing to arrive at a settlement in an effort to resolve the matter amicably without recourse to litigation.

However, there remains the potential for either party, in each instance, to instigate legal proceedings if so required.

Whilst the Northern Ireland Prison Service expects to recover the monies involved, these three cases are being reported as losses in accordance with Managing Public Money until such time as the funds have been received.

The Northern Ireland Prison Service does not hold general insurance, but instead charges expenditure in connection with uninsured risks as incurred.

## 24. RELATED PARTY TRANSACTIONS

The Northern Ireland Prison Service was an Executive Agency of the Northern Ireland Office, which was regarded as a related party. During the year the Agency has had various material transactions with the Northern Ireland Office and with other entities for which the Northern Ireland Office is the parent Department, viz:

- The Crown Solicitor's Office
- Forensic Science Northern Ireland
- The Compensation Agency
- The Youth Justice Agency
- The Northern Ireland Policing Board
- Police Service of Northern Ireland
- The Probation Board for Northern Ireland

In addition the Agency has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Health, Social Services and Public Safety, the Department of Finance and Personnel and related Agencies.

No board member, key manager or other related parties has undertaken any material transactions with the Northern Ireland Prison Service.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. RELATED PARTY TRANSACTIONS (continued)

During the year amounts totalling £2k were paid to Business in the Community (a company in which Ruth Laird is a board member) for annual subscription fees in respect of the publication of Opportunity Now.

During the year amounts totalling £16k were paid to the University of Ulster for training and tuition fees for Northern Ireland Prison Service staff (Ruth Laird is a council member of the University).

Amounts totalling £1,126k were paid to Northern Ireland Water in monthly water and sewage charges in respect of all the prison establishments. The balance of monies owing at 31 March 2010 was £313k (Donald Price is a Non-Executive Director of this organisation).

A total of £31k was paid to the Housing Rights Service for annual subscription fees (a voluntary body in which Sidney McDowell is the chair of the Preventing Possession Initiative).

A total of £176k was paid in respect of the Young Offenders Centre at Hydebank to Opportunity Youth (a company in which Austin Treacy is a board member). The balance of monies owing at 31 March 2010 was £42k.

## 25. THIRD PARTY ASSETS

There is a Prisoners' Private Cash (PPC) facility for the lodgement of prisoner earnings and funding of tuck shop purchases. When prisoners are discharged they are paid in full the balance on their PPC account. The average prisoner private cash balance at 31 March 2010 was £99 (2008-09: £104).

Each prison establishment administers a Prisoners' Amenities Fund. Payments from the fund are used for the welfare/benefit of all prisoners. Fund receipts include income from the sale of tuck shop items, phone credits and donations.

	1 April 2009 £000	Gross Inflows £000	Gross Outflows £000	31 March 2010 £000
<b>Monetary assets such as bank balances and balances on deposit</b>				
Prisoners' Private Cash Accounts	154	2,594	(2,606)	142
Prisoners' Amenities Funds	99	209	(169)	139
	<b>253</b>	<b>2,803</b>	<b>(2,775)</b>	<b>281</b>

## 26. EVENTS AFTER THE REPORTING PERIOD

On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland Department. From this date the lead policy responsibility for the Northern Ireland Prison Service transferred from the Northern Ireland Office to the Department of Justice.

The 2009-10 financial statements have been prepared on the basis that the Northern Ireland Prison Service was an Executive Agency of the Northern Ireland Office for the entire financial year and these will be laid in Parliament. There is no impact on the 2009-10 financial statements arising from the transfer of functions to the Northern Ireland Assembly on 12 April 2010.

No other events as defined in IAS 10 have occurred after the reporting period.

The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on the same date as they were certified by the Comptroller and Auditor General.

NOTES

# NOTES

NOTES



NORTHERN IRELAND PRISON SERVICE  
**ANNUAL REPORT AND ACCOUNTS**

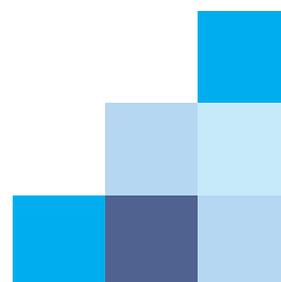
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