



Forensic Science
Northern Ireland



Annual Report and Accounts
2008 - 2009

Forensic Science Northern Ireland

Fourteenth Annual Report and Accounts

1st April 2008 – 31st March 2009

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Chief Executive's Summary

I am pleased to present the fourteenth Annual Report and Accounts of Forensic Science Northern Ireland (FSNI) for the year ending 31 March 2009.

FSNI's mission is to provide professional, independent and objective scientific expertise in support of Justice. The fact that forensic science - by definition - operates in the twin environments of Science and the Law, each with its own drivers, rules and codes, makes that mission simultaneously complex, challenging and rewarding. Although we are a fairly small Government Agency of approximately 200 people, FSNI's work is often of vital importance to our customers, such as the Police Service Northern Ireland (PSNI), the Police Ombudsman, the State Pathologist or HM Revenue & Customs, or to our stakeholders, whether prosecutors, defence representatives, victims and their families, defendants, suspects, society at large or their political representatives.

With the approach of the Devolution of Justice and the local accountability that means, FSNI, more than ever, has to deliver, not just in terms of effectiveness, for which we are already rightly acknowledged, but also in terms of our speed and efficiency. In these times of financial stricture we must also continue to ensure that public money entrusted to us is put to the best possible use.

In late 2006, we embarked on a process of major change, a process that is continuing unabated, as the environment changes around us. This last year has seen a great deal of activity in relation to the development of national quality standards for Forensic Science under the aegis of the Forensic Science Regulator. FSNI personnel have been directly involved at many levels in assisting the Regulator in areas such as DNA methodologies, staff competencies and organisational accreditation, working closely with colleagues from across the UK involved in the entire end-to-end process from Crime Scene to Court.

The Agency has also been working closely with our peer organisations in the UK and Ireland within the Association of Forensic Science Providers (AFSP), not only in technical specialist group collaboration but also in strengthening and developing the framework for the delivery of Expert Witness to the Courts - based on the four principles of Integrity, Transparency, Logic and Robustness. Similarly, we have continued to develop best practice in specialist areas in collaboration with our sister member organisations of the European Network of Forensic Science Institutes (ENFSI).



Internally, we have continued to invest in the science we deliver, by ensuring that our equipment and instrumentation is of the highest standard and is put to good use. One specific example was the deployment of a set of powerful new portable lasers - operating at three different wavelengths - for the detection, using fluorescence, of invisible (or “latent”) fingerprints at crime scenes. This development gave us almost immediately a significant benefit, by helping detect up to 30% more prints at scenes than was previously possible. Our Specialist Fingerprint Unit (SFU), as with many other sections of the Agency, has, through practical developments such as this, maintained its position at the forefront of forensic science capability.

During 2008/09, we have continued to embed the new organisational, business planning and governance structures put in place in the preceding two years. The Balanced Scorecard business planning tool has been honed and has greatly helped alignment across the whole organisation to the strategic objectives of the Agency. Our scientists have added further management and financial capability and awareness to their skill sets and have focused on delivery to customers’ timeliness expectations.

Matching resources of a forensic science laboratory to often unpredictable customer demand is not an easy task and is indeed one that most - if not all - laboratories across the World constantly wrestle with. This year has seen a major body of work commence that is designed to help this process. Together with our primary customer, the Police Service of Northern Ireland (PSNI), we have been reconfiguring our entire product range to the new national guidelines set by the Association of Chief Police Officers (ACPO). Once completed (in the coming year) this will facilitate direct correlation between what the customers submit to us for examination and the discrete pieces of examination, testing and reporting flowing from those submissions. It will also allow us to transparently demonstrate the value for money that we provide by accurately assigning costs to the products.

In parallel with this, we have been working closely with the PSNI to comprehensively restructure the Service Level Agreement (SLA) between us, so that it reflects the true costs of each work package, allows for meaningful measurement of performance and facilitates forward resource planning over a three year horizon – a vital ingredient in such a highly technical environment, where substantial time is needed to procure specialist equipment and to recruit and/or train staff to the level of competence required by the accreditation bodies and the Courts.



Our focus on our customers and stakeholders has also been enhanced, towards the end of the financial year, with the completion of the establishment of the Business Development Directorate within the Agency. Their primary focus will be on understanding, anticipating and fulfilling the needs and expectations of our customers and on managing the complex, multi-level communications with them.

One of the cornerstones of forensic science nowadays is of course DNA and we have focused during the year on development of our detection and recovery capability in relation to minute traces of DNA (a programme known as Enhanced Extraction), as well as on DNA turnaround time. This is defined as the time needed from when a sample of DNA from an individual or a crime scene/exhibit is recovered to the moment when the DNA profile derived from it is loaded onto the DNA database – an end-to-end process that only FSNI within the UK carry out in one facility. This turnaround time can be of vital importance in, for example, helping identify a suspected rapist before he may strike again. By enhancing our procedures and investing in new technology we have brought our DNA turnaround times down to a level comparable with the best in Europe, as attested in the recently published report on the Agency by the Criminal Justice Inspectorate (CJI).

DNA (and its interpretation) plays a very significant role in many cases and it is important to the Criminal Justice System that this complex and highly sensitive scientific technique is understood by all those participating in Court cases involving it. The Omagh Bomb Trial and the media coverage of it, together with other high profile cases in Great Britain, influenced the Caddy Report on DNA which had been commissioned by the Regulator and which was published at the close of last year. FSNI took the initiative during this year to engage with stakeholders on forensic science awareness in general and DNA in particular. As a first step, the Agency delivered a series of full-day awareness sessions on the laboratory premises to a total of over 120 staff and counsel of the Public Prosecution Service (PPS). The inherent “friction points” between Science and the Law were discussed, as were the concepts of contamination, the evaluation of DNA match probabilities and the scope, capabilities and limitations of forensic science techniques. This initiative by FSNI has been welcomed by the Regulator and is expected to feed into similar UK-wide initiatives.

The Agency was also successful during 2008/09 in maintaining our Quality Accreditation by the United Kingdom Accreditation Service (UKAS) to the international quality standard ISO 17025/2005 – and in



further extending our already wide scope. Quality is of central importance to a forensic science laboratory and accounts for roughly 15% of our total operating costs. Its importance is being underscored in 2009/10 with the appointment to the Agency in April 2009 of a Director of Quality.

The Agency's plans for new accommodation did not move forward as rapidly as was hoped, due primarily to difficulties with the preferred site, following a ruling by the Health & Safety Executive in response to the Bunsfield fire disaster in England. The proximity of a large fuel storage facility meant the preferred site was no longer viable. Despite this setback, significant progress was made on the detailed planning of the new laboratory, including sizing, layout and specification and this was reviewed independently by external experts commissioned by the Strategic Investment Board (SIB), who are assisting in the project. A new preferred site has been identified and work has progressed on the Outline Business Case based on these developments.

The Agency continued to implement an action plan, agreed by the Minister, to address perceived shortcomings in the forensic handling of the Omagh investigation. Progress on this plan was assessed later in the year as part of a full inspection by the Criminal Justice Inspectorate (CJI), who were supported by an external, independent forensic science expert. Their report indicates that FSNI's progression of the action plan was satisfactory and that it should now be incorporated in standard practice within the Agency.

The Agency has also been preparing itself for the devolution of Criminal Justice in Northern Ireland, and as with other Criminal Justice Service (CJS) bodies, appeared before the Assembly Executive Review Committee to discuss its resource plans. There was also during the year a visit and tour of the FSNI facilities by members of the Policing Board which was followed some months later by a presentation to that Board by the Agency's Chief Executive.

Various Northern Ireland Office (NIO) and/or Northern Ireland Court Service (NICS) initiatives also impacted on the Agency's work throughout the year, including the roll-out of HR Connect and Account NI, the introduction of the new international financial accounting regulations under IFRS, and a range of responses to central UK government initiatives on the security of Data and Information.



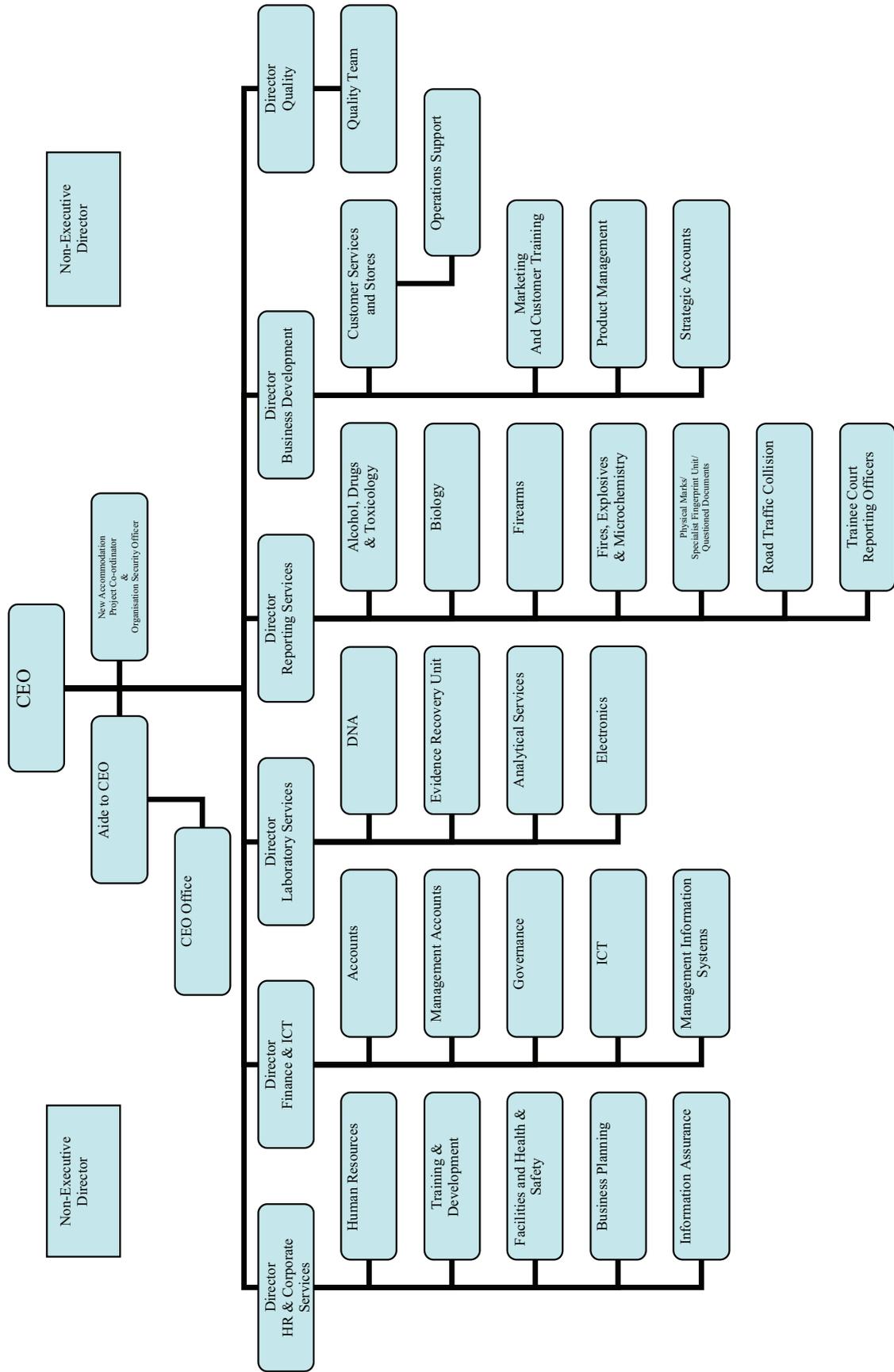
The workload of the Agency's staff has, as with the previous year, continued to be very heavy, with many activities and initiatives on multiple fronts, inevitably impacting on each other and competing for resource and priority, as is always the case in the necessarily highly reactive response to unpredictable serious crimes. With so many essentially administrative activities pulling heavily on resources, it is important and heartening to note that the core work of the Agency – the delivery of expert, independent scientific advice to the Criminal Justice System – has continued unabated. Yet again this year, 100% of Priority 1 cases were completed on time.

The entire staff of the Agency, at all levels, have risen to these challenges and delivered across the board where it matters. It may sound like a glib cliché to say that our staff are dedicated and hardworking and their efforts are much appreciated, but cliché or not, it is, once again the truth as regards this Agency and I am genuinely grateful for that dedication and for the support consistently afforded me and the Executive Board throughout this past year.

Stan Brown
CHIEF EXECUTIVE



Forensic Science Northern Ireland





Directors' report and Management Commentary

Directors' report

The directors present their report and the audited financial statements for the year ended 31st March 2009.

Principal activities

The Agency's mission is to provide professional, independent and objective scientific expertise in support of Justice. The majority of the Agency's involvement in the investigative phases of individual criminal (or possibly criminal) cases is to assist the investigating authority in deciphering the sequence of events, advising on the forensic approach to take, identifying possible suspects, and establishing links between people, places and objects. The investigating authority in question is most often the Police Service of Northern Ireland (PSNI), but the Agency also assists the Police Ombudsman for Northern Ireland (PONI), HM Revenue and Customs, the Historical Enquiries Team (HET) and police forces outside Northern Ireland. FSNI also provides a toxicology service to the State Pathologist's Department for Northern Ireland. In the Evaluative Phase of each case, the Agency's Reporting Officers provide independent, objective expert opinion as servants to the Northern Ireland Courts of Justice.

The distinction between the Investigating Phase and the Evaluative Phase is much more than a semantic one and is central to the scientific objectivity of Forensic Science and thus, in many criminal cases, to the administration of Justice. Inadequate or biased evaluation of scientific evidence has led in some high profile cases in GB to miscarriages of Justice. FSNI therefore place great emphasis on the competences of our scientists, the integrity of the many thousands of exhibits we process each year and on our Quality Management Systems.

Reviews of the Agency's activities and potential future developments are provided in the Chief Executive's summary, and the Management Commentary.



History and statutory background

Forensic Science Northern Ireland (FSNI) is an Executive Agency within the Northern Ireland Office, established on 1 September 1995 under the Government's Next Steps Initiative. Agency Status was re-confirmed following a quinquennial review, stage 1 of which was completed in January 2002.

These accounts have been prepared in accordance with the 2008/09 Government Financial Reporting Manual (FReM) issued by HM Treasury and in accordance with direction given by Treasury in pursuance of section 7(2) of the Government Resources and Accounts Act 2000. The Agency also complies with the requirements of HM Treasury Managing Public Money.

Agency directors & management team

FSNI is well underway on a programme of fundamental change, begun in 06/07 and affecting all aspects of the organisation.

The Chief Executive is supported in his responsibilities for Corporate Governance and Strategic Direction by the FSNI Executive Board (EB). In 2008/09, the EB comprises of the six Directors of FSNI together with two Non-Executive Directors, both of whom have experience outside of forensic science.

Robust governance structures and business planning processes have been put in place and have fundamentally reconfigured the organisational structure, most importantly by creating an internal through to external customer delivery chain between the directorates of Laboratory Services, Court Reporting Services and Business Development.

On the 2nd March 2009 a Business Development Director was formally appointed to take responsibility for developing revenues from new and existing customers, as well as managing Customer Services, Marketing, Customer Training, R&D and Product Management. A Director of Quality (appointed 6th April 2009) was recruited to further strengthen quality accreditation, quality products and continual development of the Quality Management System (QMS).



The Executive Board

S Brown	Chief Executive
G Brown	Finance Director
A McElveen	Corporate Services Director
J Kirkwood	Director of Reporting Services
R Gingles	Director of Laboratory Services (retired 29th May 2009)
S. Campbell	Director of Laboratory Services (appointed 1st June 2009)
L Montgomery	Business Development Director
A Kirkwood	Quality Director (appointed 6th April 2009)
A McClure	Non Executive Director
T Steenson	Non Executive Director
C Doman	Corporate Secretary

The Executive Board are supported by the Agency's Management Committee and Audit Committee. The Management Committee's main purpose is to manage the day to day operation of the Agency to ensure that FSNI delivers on the Business Plan and Balanced scorecard objectives and targets within the available resources. The Audit Committee is chaired by one of the non executives detailed above. The Audit Committee is established to support the Accounting Officer in his responsibilities for issues of risk, corporate governance, internal control and associated assurance. Further details on the Audit Committee role are detailed in the statement of internal control.



Review of business and future developments

During the year, the Agency concentrated on imbedding the new organisational structure and developing strategies for each of the directorates. Work on the redefinition of the entire product range has been substantially progressed, to align FSNI's product definitions with those introduced by the Association of Chief Police Officers (ACPO). These define the outputs of forensic laboratories primarily in terms of the inputs to the police investigative processes. The new definitions allow for segmenting of products previously viewed as single end-to-end processes into discrete phases and decision points. This will facilitate interim reporting and greater efficiency once the MIS structures are in place. From ACPO and the PSNI's perspective, the Product Range redefinition will enable value for money to be more transparent. From the providers' perspective it will enable modular or staged delivery of products, which should both reduce nugatory work and speed up delivery. The ACPO product definitions are generally, however, geared to the basic level of product, and it will remain the intention of FSNI to offer enhanced products where applicable in each of the product groups.

The Agency is currently awaiting approval in respect of the outline business case for the Perseus Programme. The Perseus Programme's aim is to develop improved and integrated approaches to the Agency's systems of Case File Management, Exhibit Tracking, Workflow Management and Management Information Systems (MIS). The Perseus programme has progressed more slowly than was wished, but the programme structure has been integrated more closely with both ACPO alignment (ACPO-isation) and SLA redesign during the year. Perseus will, once fully implemented, greatly support product management and service delivery by allowing detailed cost analysis of the product elements and by improving workflow management, predictive customer costings, submission control and reporting. The work will also help focus the R&D programme, which will lead to new products being fully launched to customers and explained to stakeholders. Early phases of Perseus, namely Enhanced Exhibit Tracking and Time Recording were successfully developed and introduced during the year.

Resources were also focussed during the year on the restructuring of the SLA with PSNI – an inherently complex exercise because of the parallel work on ACPO-isation of the Product range



and on Perseus. Agreement was reached with PSNI that 2009/10 would be a year of transition, during which the above three strands would be pulled together and a meaningful and measurable SLA with a 3 year horizon would be developed in time for 2010/11. Both organisations are working closely together on these initiatives.

Post balance sheet events

There have been no material events, which would affect these accounts, occurring after the year end. The date of authorisation for issue is the 8 July 2009.

Charitable donations

There were no charitable donations by the Agency during the year.

Research and development

The Agency maintains its scientific capabilities on a par with that of its national and international counterparts by sharing best practice in technical specialist workshops run by AFSP and ENFSI and by collaboration with universities such as Queens, Belfast. The redefinition of the entire FSNI product range to meet the ACPO guidelines, which has been underway during the year, led by the Business Development Directorate, is being used as an opportunity to formalise the future development priorities for each specialist section.

Highlights within the Agency during the past year include the development of Mobile Phone Cell Site Analysis capability within the Electronics Section, the further development of enhanced DNA recovery, the deployment of a range of portable lasers in the visualisation of latent fingerprints at crime scenes and a joint PhD project with Queens on Raman Spectroscopy. Raman Spectroscopy in general is a very powerful tool in forensic science and comes in many forms, which exploit different aspects of various wavelengths of light. Raman Spectroscopy is particularly useful in the analysis of paint, drugs, inks and explosives. The CJI have recommended in their recent report on FSNI that significant funding be made available to the Agency to allow sufficient scientific capacity to dedicate time and effort to research and development in addition to normal casework.



Equal opportunities

The Agency is pro-active in compliance with fair employment, sex discrimination, equal pay, disability discrimination and race discrimination legislation in Northern Ireland. The Agency is committed to the promotion of good relations amongst staff and customers, irrespective of differing religious belief, political opinion, racial group, gender, marital status, sexual orientation, disability, age, or having dependants or not. It promotes a working environment where any member of staff will be treated with dignity and respect, and does not feel discriminated against or harassed. The Agency promotes equality of opportunity, and is fully committed to the NIO Equality Scheme.

Disability

The Agency follows the NI Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of the ability, qualifications and aptitude for the work.

Employee consultation

The Agency encourages the widest possible communication, consultation and staff involvement in its business development. This is defined within the terms of an Agency Communication Strategy which identifies, for the individual and for the organisation, the communication standards that are expected to apply. The Executive Board and Management Committee comprise of representatives from across all disciplines, directorates and sections within FSNI. Both groups were involved in developing and agreeing FSNI's mission, vision and values, corporate goal and corporate objectives for 2008- 2011 (see page 17).

From May 2006 the Agency has been accredited to the new higher standard Investors In People award. This new standard places a renewed emphasis on accountability and management practice. The Agency was the first in the public sector to achieve the new higher standard. The Agency is due to be re-assessed against the standard in May 2009.



Formal and informal consultation also exists with Trade Union representatives.

Health and safety

The Agency sees a safe working environment as encompassing both the physical and mental well-being of its staff. The Agency strives for continuous improvement in safety performance through reviews of safe working practices and increased safety awareness of all staff.

The Agency deals in the course of its work with materials presenting potential chemical, biological, or physical risk and accepts its responsibilities as outlined within the scope of the Health and Safety at Work (NI) Order 1978. The Agency does all it can to ensure the full commitment of management at all levels, and the co-operation of all members of staff in order to meet its obligations under this and all other associated legislation.

As reported in previous Annual Reports, the main complex within which the Agency is housed is known to contain some asbestos. This continues to limit the Agency's ability to handle premises issues in an efficient and speedy way.

Payments to suppliers

Payment within 30 calendar days

The NIO, including its agencies, seeks to comply with the "The Better Payments Practice Code" for achieving good payment performance in commercial transactions. Further details regarding this are available on the website www.payontime.co.uk. Under this Code, the policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. The prompt payment results for 2008-09 showed that 95.9% (2007-08: 96.1%) of invoices were paid in accordance with the terms of the standard.



Payment within 10 working days

The Prime Minister's statement of 8 October 2008 set a challenge to Government Departments to pay suppliers as soon as possible, with the aim of bringing forward all payments to within 10 days. Following the guidance issued by Sir Gus O'Donnell on 17 November 2008, the Department and Agencies revised internal timescales for the processing and payment of invoices with effect from 1 December 2008. The performance for the 4 months to 31 March 2009 showed that 76.7% of invoices were paid within 10 working days following receipt of a properly rendered invoice.

In addition the Department for Business Innovation and Skills launched a new code of practice 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. The Northern Ireland Office has shown its support and commitment to the principles of the code by becoming a signatory. Further details regarding this are available at www.promptpaymentcode.org.uk.

Auditors

These 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 60 to 62. The notional audit fee for the work performed by his staff during the reporting period and which relates solely to the audit of these financial statements was £11.8k.

In addition the Agency incurred an audit fee of £2k in relation to the audit of the IFRS opening balance sheet (see note 6).

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. The amount paid in respect to non audit work during the year was £NIL.



Disclosure of information to auditors

The Accounting Officer has taken appropriate steps to make himself aware of relevant audit information and to establish that the C&AG is aware of that information. To his knowledge, there is no relevant audit information of which the C&AG is unaware.

Stan Brown
CHIEF EXECUTIVE
16 June 2009



Management Commentary

Business reviews

Background information

Forensic Science Northern Ireland is responsible for the provision of scientific advice and support to enhance the delivery of justice.

The Agency became an Executive Agency of the Northern Ireland Office on 1 September 1995, its functions having previously been carried out as the Northern Ireland Forensic Science Laboratory, a Division of the Department. Its name was changed from the Forensic Science Agency of Northern Ireland to Forensic Science Northern Ireland in April 2000. Its budget for the 2008/09 financial year was approximately £10m.

Approximately 90% of the work submitted to the Agency originates from the PSNI and the mix therefore reflects trends in local crime, especially violence and other serious offences, as well as the investigative priorities of the police.

FSNI over recent years has seen a substantial growth in submissions relating to violent crime/offences against the person and drugs-related crime. The residual terrorist threat remains significant and the two major incidents at the close of the year, coming as they did after other similar but less high profile incidents, highlight the importance of a broad integrated range of professional forensic science resource and capacity being available locally.

Whilst DNA continues to be a cornerstone of forensic science, it is in complex high priority cases that the interconnectivity of the various forensic techniques and specialisms comes to the fore. As an example a single exhibit such as a mobile phone may need carefully planned sequencing of the recovery of DNA, fingerprints, fibres and data.

The Agency receives roughly 20,000 exhibits per year (not including DNA swabs and blood samples) and derives a further 80,000 sub-exhibits from them. Storage conditions for exhibits and



sub-exhibits depend on their nature and may be at ambient, refrigerated or deep freeze temperatures as appropriate. Exhibits also range in size from vehicles, doors and other large objects, to extremely small items. Exhibits may also, due to their nature, present health & safety challenges, e.g. guns, knives, drugs, biological material and toxic, flammable or explosive substances. Handling, packaging integrity and tracking of the storage and movement of exhibits is therefore of vital importance.

FSNI acts as the custodian of the Northern Ireland DNA database and regularly uploads NI DNA profiles onto the UK's National DNA Database. The standalone nature of the NI database allows for faster local searching as well as compatibility with both UK and Republic of Ireland data. This facilitates the comparison of DNA profiles and identification of individuals possibly associated with crime scenes anywhere within the UK and, where their legislation allows, in the Republic. This latter point is important in the growing area of cross-border crime and will become even more important now that the Republic is taking steps to introduce its own DNA database.

Strategies and objectives

Agency goal

“To achieve self sustainability, through investing in people, facilities and systems, in support of our vision by 2011/12”

The definition of self-sustainability is that income from paying customers plus that from dedicated departmental funding for specific ongoing strategic purposes should exceed the total costs of the Agency.

Agency Mission

“To provide effective, impartial forensic science to support justice”

This mission is realised through -

- scientific support service for police in the investigation of crime



- scientific support for the work of the Police Ombudsman
- scientific advice for the legal profession
- objective expert testimony to the courts
- training in the effective and efficient application of forensic science; and
- analytical support service for pathologists.

Agency vision

“To be recognised as the provider of forensic science with the reputation for excellence, quality and timely delivery.”

The Agency's vision and mission statement reflect the emphasis on the organisation being business-like and responsive to the needs of customers in the development of high quality, efficient and affordable services.

Agency values

Our values underpin what we do in support of the vision for our organisation.

They describe how we:-

- behave as individuals;
- operate in work teams; and
- discharge our corporate and social responsibilities.

These values are aligned to those of the wider Public Service and place emphasis on accountability, integrity, professionalism and results/delivery focus. A description of our values is given below.

- **Accountability** – taking ownership and responsibility for: our actions, the quality of our work, performance and operational delivery and results.
- **Integrity** – acting reliably and dependently, building trust, gaining respect and credibility from others by delivering on our commitments.
- **Professionalism** – being competent, knowledgeable and objective in all our interactions with others. Seeking actively to develop our own skills and experience.



- Customer focus- focusing on customer's requirements, producing results in line with that requirements and driving issues to closure; persisting despite hurdles and opposition.
- Innovations – showing an open mind and interest in new ideas and concepts, providing imaginative and original ideas, identifying new choices and developing initiatives. Encouraging ideas and initiatives in others. Challenging old ways of doing things and generating and championing new and different ways of working.

FSNI will continue the major modernisation programme it has embarked on, both by investing in improved instrumentation, accommodation and ICT systems and by restructuring the organisation to better deliver the customer responsiveness and the operational efficiency required.

The development of partnerships with our customers and stakeholders will continue at both strategic and operational levels, to ensure that their changing needs are identified and addressed. FSNI will aim to continually improve the delivery of its products and services by focusing on best practice processes in scientific operations, quality management, logistics, customer services and training. Formal relationships with other recognised forensic providers will be maintained to allow exchange of best practice and the brokering of services in response to demand fluctuations.

Description of business

Forensic science plays a key role in support of the criminal justice process in the detection and solving of both serious and volume crime. In Northern Ireland, as elsewhere in the world, the reluctance of witnesses to testify (and the reliability of their testimony) and the questioning of the reliability of confession evidence has meant that there is an ever greater reliance on forensic science.

Forensic Science Northern Ireland (FSNI) provides a wide range of services including scientific support for the police in the investigation of crime, casework review in support of the PSNI Historic Enquiries Team, analytical support for pathologists, and scientific advice for the legal profession. It is important to note that whilst FSNI must satisfy its paying customers and match resources to demand through the revenues thus generated, the true end-product of the Agency is objective, independent expert testimony to the courts. In that regard the forensic science conducted



at FSNI can help acquit the innocent as well as convict the guilty. FSNI have quite appropriately therefore no performance targets in relation to prosecution success rates.

The scientific services provided by FSNI are delivered by a broad range of specialists - including those initially qualified within the wider disciplines of chemistry, biology, biochemistry, mechanical and electronic engineering - and come under the following headings:

Biology, which largely involves the examination of items in relation to offences against the person (such as assault, rape and murder) and includes trace evidence types such as fibres, body fluids and blood distribution analysis.

DNA, which includes the management of the local Northern Ireland DNA database, the analysis of Criminal Justice (CJ) samples taken from those arrested, the analysis of samples submitted directly from scenes of crime (Crime Database (CD)), samples arising from the Biology Team's work and samples requiring special treatment to improve the resulting analysis. Samples are analysed using modern recovery, purification, amplification, separation and detection techniques and DNA profiles are obtained which consist, for each individual, of 22 numbers. This ability to translate biological material into a simple digital format allows for the rapid matching of profiles using large databases. CD profiles can thus be matched against each other (to link separate crime scenes) and against CJ profiles to match putative offenders to crime scenes. Whilst the probabilities of profile matches can be accurately quantified mathematically, the interpretation of the meaning of the matched profile requires skilled, contextual evaluation by FSNI Reporting Officers in each and every case.

Alcohol analysis arising from drivers suspected of drink driving and samples submitted by the State Pathologist in suspicious deaths.

Drugs, where analysis is carried out to determine if the material is a drug of abuse and to report on its status in respect of the current legislation.



Toxicology, in which samples of body fluids and tissues recovered by the State Pathologist from deceased persons are analysed for the presence of medicines and poisons to identify and quantify the various substances which may be present and then evaluate their likely combined pharmacological effects on the individual.

Road traffic collisions, which involves the examination of scenes of fatal road traffic collisions and items from vehicles to determine the cause of the collision. The expert evaluation by FSNI's specialist Reporting Officers is usually given to the Coroner's Courts.

Electronics, which is divided into work provided for PSNI Road Traffic Policing - involving the installation, maintenance and calibration of their equipment for speed detection and breath testing - and the examination of electronic and electrical devices and the retrieval of data from electronic devices, including mobile phones and computers.

Microchemistry, which uses scanning electron microscopy and other techniques to analyse trace cartridge discharge (gunshot) residues and trace explosives recovered from scenes, individuals or exhibits. The powerful microscopy techniques are also applied in other areas such as the detailed analysis of glass and paint particles and in the examination of filaments in the lights of vehicles involved in collisions.

Firearms, where firearms and ammunition are examined to determine their classification under the legislation and to compare cartridges and bullets from crimes with recovered firearms. In addition, scientists from firearms attend scenes to determine trajectories and firing patterns.

Fires, general chemistry and explosives. Staff from this section attend scenes of fatal or significant fires and explosions to determine the cause and uncover evidence possibly linking the incidents to suspects. Analysis of fire scenes and debris is carried out to see if an accelerant such as petrol or paraffin has been used in setting a fire. Explosive or incendiary devices are also examined for their design, manufacture and viability and explosive substances and their residues are identified.



Physical methods involves the examination of items such as clothing for trace materials, including paint and glass particles, in order to establish a link to a crime scene. Marks of various kinds left at scenes, including those made by tools, footwear, tyres, etc. are visualised and matched against exhibits and databases.

Questioned documents involves the examination of documents and other items for forgery, comparison of handwriting, signatures and the recovery of indented writing.

Specialist fingerprint unit develops latent fingerprints - i.e. those which are invisible or undetectable by routine methods - using specialised lasers and lamps in conjunction with multistage chemical treatments.

Many criminal cases require the close integration of many of the above specialisms, the choice, combination and sequencing of which is usually determined by forensic strategy case conferences with the customer.

The Agency itself is accredited by the United Kingdom Accreditation Service (UKAS) to the ISO 17025-2005 standard and the current scope of accreditation can be found on the UKAS website (www.ukas.com).

In pursuing our vision and mission, and in our day-to-day work, FSNI aims to contribute to and maintain public confidence in the Criminal Justice System (CJS). This supports the SR2004 PSA objective 3 target 2.

Development and performance of the business

The year ending March 2009 saw the embedding of changes to the structure made in the previous year. The separation of the Operations directorate into two, the Directorate of Laboratory Services (DOLS) and the Directorate of Reporting Services (DORS), allowed greater focus on processing of work by staff in DOLS and its subsequent reporting by reporting officers in DORS. In simple terms, the staff in DOLS concentrate on the primary examination of exhibits and the identification, comparison, measurement and quantification of the substances and traces found. The Directorate consists of three sections: the Evidence Recovery Unit, the Analytical Services Unit and the DNA



Unit. The Reporting Officers within DORS, in contrast, attend and investigate scenes of crime, instigate the forensic strategy in consultation with the Investigating Authority, instruct DOLS colleagues in the work required from them and then collate and analyse the results obtained, evaluate them, prepare Statements of Witness for Court and finally give expert evidence regarding the forensic findings to Court.

Staffing levels during the year were below full complement, and in some areas considerably below that required to complete the volume of work. One consequence was that turnaround times for processing DNA Criminal Justice Samples and Crime Database samples deteriorated in April and May to a level that was not acceptable to the PSNI. An action plan was developed and put in place and turnaround in both these streams of work was brought back within target by September, ahead of the schedule. Significant technical process improvements in April, the implementation of which initially contributed to the deterioration in performance, paid dividends subsequently with faster processing of larger batch sizes. Together with the recruitment and training of staff in the DNA section, these developments now permit a DNA performance matching the best laboratories nationally and internationally.

The unexpected resignation of one Reporting Officer in Alcohol, Drugs and Toxicology (ADT) at the start of the year shows the vulnerability of the Agency to staff shortages when resources are already being used at full capacity. Many of the specialist teams in the Agency are by their nature small, and the loss of one person in ADT represented 25% of the reporting resource. The experience and skill of such people is not easily replaced and it can take several years of training following initial recruitment before staff are fully competent to give expert witness to the courts. ADT also suffered from substantial over-submission in drugs and toxicology work with the outcome that turnaround targets deteriorated significantly. Again, as in DNA, an ADT action plan has been put in place, two new reporting officers have been recruited and are undergoing training. During the last quarter, some work was subcontracted to other providers as part of a strategy to reduce the backlog.

Across the Agency, a backlog reduction strategy will be carried forward into next year. It is informative to note that backlogs are typical across virtually all forensic laboratories in Europe and



North America and are a consequence of the unpredictability of demand, the small specialist teams and the lack of spare capacity. FSNI management do believe however that the actions underway in ACPO-isation, Perseus, SLA restructuring, recruitment, cross-skilling, etc. will significantly reduce long term backlogs both in their size and in the “age” of the delayed cases.

Overall in the Agency, staffing levels improved during the latter half of the year as a result of intensified focus on recruitment. Initially temporary staff provided much needed resources and thereafter permanent staff were successfully recruited. There is of course an inevitable lag between arrival of staff and completion of training before the output capacity actually increases. FSNI has one of the broadest ranges of Quality Accreditation of any European Forensic Science Laboratory. Nonetheless, the work to improve the efficiency and effectiveness of the quality management system (QMS) continued in 2008-2009. The substantial effort devoted across the Agency to quality continued to have a knock-on effect on output from the operational areas. This, combined with delays in replacing staff, over-submission in some areas and backlogs of work being carried over from previous years, contributed to an increased backlog and delays in reporting casework in those areas. Quality Management is an essential but resource-hungry feature of any modern forensic science laboratory, involving a large number of FSNI led internal audits, external inspections, collaborative trials, document management, reviews, etc. and accounts for approximately 15% of the Agency’s total costs. The appointment of a Quality Director at the very start of 2009/10 will help focus on the resource-efficiency of the QMS whilst maintaining its effectiveness.

New accommodation project

The need to provide purpose-built permanent accommodation for FSNI continues to dominate the operational life of the organisation. It is inextricably linked to FSNI’s strategic planning and its relationship with its main customer, the Police Service of Northern Ireland. The 2008/09 year saw progress on the delivery of a draft Outline Business Case (OBC), the ongoing search for suitable site options and an independent review of the Strategic Operational Requirement (SOR). A first draft of the complete OBC was reviewed by the Project Advisory Steering Group on 26 November 2008. Further work to consolidate and expand key sections of the OBC is ongoing. Extensive work



to identify a suitable site continued during the 2008/09 year, but, unfortunately, the project suffered a major setback when a site in the Belfast Harbour Estate, which was considered a strong contender, had to be abandoned because of a change in planning guidance relating to developments close to hazardous installations.

An independent review of the SoR was commissioned by the NI Strategic Investment Board (SIB) on behalf of the NIO and was carried out by Key Forensic Services Ltd (KFS), a private sector forensic supplier based in England. KFS delivered their final report in March 2009 and in it noted that:

“Generally, we are satisfied that the specification for the new accommodation has been defined with due regard to the fundamental conditions required in a modern forensic science laboratory.”

The KFS report’s recommendations, which cover business-related strategic issues as well as detailed design and scaling matters, has been assessed in detail by FSNI’s management team and amendments to the SOR have been made where appropriate. These changes will be taken into account during the further development of the OBC.



Key performance measures

Agency key targets

The following table shows the outcomes against the 2008/09 targets.

Corporate goal	Measure	2008/09 key target	Outturn
1. Deliver products and services consistent in value, quality and on time	Output versus SLA target	<p>95% of urgent requests for results from PSNI (priority 1 cases) available within 72 hours</p> <p>95% of targets achieved in line with those agreed in PSNI SLA</p> <p>95% of targets achieved in line with those set in SPD SLA</p>	<p>100% of urgent requests were made available within 72 hours. NB a considerable volume of work was processed as priority 1 in March 2009 in response to two dissident republican murders.</p> <p>Overall, 84% of targets were achieved in line with those agreed in the PSNI SLA. 7 out of 14 disciplines fully met their target relating to the delivery of casework for PSNI.</p> <p>Alcohol target met, Toxicology and backlog target not met.</p> <p>Action plan in place to bring team back on target by September 09.</p>
2. Manage products and services in line with customer agreements	Backlog reduction	To eliminate 50% of backlog by March 2009. Backlog defined as cases that have already missed their target dates	42% of backlog has been eliminated. This excludes backlog work in Drugs and Toxicology which has an action plan in place to improve performance in this area.
3. Manage submission control in line with SLA	Policy in place to manage submissions in line with SLA	Policy in place by March 2009	Draft policy in place.
4. Deliver products and services consistent in value and quality on time	Alignment of FSNI products to ACPO Guidelines	85% of FSNI products in line with ACPO guidance by 31 March 09	Achieved. A full list of products provided by FSNI has been developed mirroring National Procurement Framework products (ACPO). Additional products not catered for within the framework but provided by FSNI have been listed in addition.



5. Maintain costs within agreed budgets	Actual costs versus budget costs	Outturn costs equal to outturn budget	Refer to accounts.
6. Deliver products and services consistent in value and quality on time	Scope of UKAS Accreditation	Maintain existing scope of accreditation	Achieved. The scope of accreditation was maintained as given in the UKAS schedule of accreditation. An additional area of calibration work was accredited in year (85 meter distances in PSNI stations).
7. Management and development of accommodation and infrastructure	Secure new accommodation or FSNI	<p>Agreement with PSNI on their long-term procurement strategy by June 2008</p> <p>Ministerial Approval of FSNI business strategy by October 2008</p> <p>Allocate appropriate in-house resources to support delivery of a robust and compelling OBC by March 2009</p>	<p>Letter from PSNI Deputy Chief Constable giving assurance that FSNI is preferred supplier, subject to procurement and VFM considerations.</p> <p>Business strategy submitted to Minister. With Department for review.</p> <p>Independent review of requirement conducted by KFS. Facilitated by FSNI and detailed management response given.</p>

Financial review

Operating income and expenditure

Total income achieved in the current year amounted to £9.6m compared to £9.1m in the prior year.

This was due to an increase in income from other public sector and private customers in year.

Staff costs have increased in year in line with agreed NIO pay awards.

Non staff costs have increased in the year mainly due to the increased cost of kits and building repairs and maintenance in year. The agency in the current year has incurred additional costs in relation to ensuring that the building has adequate fire protection should such an event occur. In addition the cost of maintaining a building designed for temporary occupation by FSNI is steadily increasing year on year.



Capital

Capital expenditure movements are detailed in Notes 8a & 8b to the financial statements. Capital purchases include IT, plant and equipment and furniture. As detailed in note 8a to the financial statements, a full valuation was carried out this year by the Land and Property Agency on the Agency's temporary buildings.

Financial position

The total net assets of the Agency at 31 March 2009 were £4,377k. The net assets have decreased compared to prior year due to the following;

- The net book value of fixed assets has increased from the prior year by £189k mainly due to the purchase of additions as noted above offset by downward revaluations and disposals.
- Net current assets have decreased compared to prior year due to a significant reduction in the Agency's cash at bank in hand balance. This is due to the 10 day prompt payment of trade creditors introduced during the year, see page 14 for further details.
- Provisions have increased during the year, see note 12 for further details.

Cash flow

The Agency's net decrease in cash in the year is £2.8m compared to an increase of £17k in 2007/08. This is due to the introduction of the 10 day prompt payment of trade creditors.

Financial risk

The Agency is mainly reliant on one main customer which accounts for approx 90% of total income in any year. This customer however is also a government body and therefore the risk of non payment of income is deemed low. The Agency is also supplemented by the NIO for agreed pressures each year. This covers the deficit of £1,162k in 2008/09 and £1,052k 2007/08. The deficit in 2008/09 arises from £360k new accommodation costs and the remainder relates to funding obtained from the NIO in respect of research and development and non cash costs for assets previously funded in full by PSNI under the cash accounting model.



The Agency accounts for all transactions in sterling and has no borrowings. As such, the Agency is not exposed to any exchange rate or liquidity risk.

Public Sector Information Holders

“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 the Government manual Managing Public Money.”

International Financial Reporting Standards (IFRS)

The year end accounts for 2009/10 will be prepared for the first time under IFRS and the new IFREM. This will require new presentation in the financial statements to allow for first time adoption of the IFRS. The main adjustment the Agency is likely to make is in respect of accruing holiday and flexi leave balances at the year end.

Looking forward

The key performance targets set by the Minister for 2009/10 are noted below. Full details of these can be found in the Agency’s Corporate Plan 2009/10.

Customer focus

Corporate objective	Measures of success	Targets
1. Deliver products and services consistent in value and quality, on time	Alignment of FSNI product range to ACPO definitions (as a 1st year prerequisite)	98% of FSNI’s product range aligned to ACPO product range by March 2010
2. Deliver products and services consistent in value and quality, on time	To issue results in urgent cases from PSNI (priority 1 cases) within 72 hours	98%
3. Deliver products and services consistent in value and quality, on time	To issue all other reports in line with SLA targets (PSNI and SPD)	95%
4. Deliver products and services consistent in value and quality, on time	Scope of Accreditation maintained and extended.	a) Maintain existing scope b) Increase existing scope in 1 scientific specialism



Key business processes

Corporate objective	Measures of success	Targets
5. Review and improve processes to enhance productivity	Improved MIS systems in place	Perseus to be designed and procured by March 2010
6. Manage submission control in line with agreed SLA volumes	Effective submissions control operating	System aligned to ACPO product range by March 2010
7. Review and implement Information and Data assurance in line with departmental policy	1) Systems and structures in place 2) Policies/protocols communicated	1) Review completed by May 2009 2) Action plan agreed at EB by August 2009

Learning, Development and Growth

Corporate objective	Measures of success	Targets
8. Management and development of accommodation and infrastructure	Make effective contribution to delivery of new accommodation project	Allocate appropriate strategic in-house resources to support delivery of a robust and compelling FBC in line with NIO project plan

Finance

Corporate objective	Measures of success	Targets
9. To attain 93% cost recovery in 2009/10	Revenue : cost ratio %	93% of costs to be recovered
10. Manage products and services in line with customer agreements	Backlog reduction	Eliminate 95% of backlog by March 2010 <i>(based on backlog in system in March 2008)</i>
11. Maintain costs within agreed budgets	Actual costs vs budget costs	Final out-turn costs in line with agreed budget

Principal risks and uncertainties

The Agency's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of the business objectives.



Risks are managed by the Agency and a risk register produced. This has been reviewed by the Chief Executive, Directors and Senior Management team on an ongoing basis. These individuals meet to assist the Chief Executive in fulfilling his risk management and internal control responsibilities. This team regularly reviews the current risk register and also identifies new risks to the Agency, the risks are assessed on likelihood versus impact matrix, and the risk register is updated accordingly. The risk management process ensures that risks are identified, mitigated and addressed.

The main risks to the Agency's business objectives are;

- Failure to maintain an appropriate scope of accreditation to ISO 17025:2005
- Lack of an up to date Business Continuity Plan
- Loss of confidence in FSNI by public and CJS may limit FSNI ability to deliver services to the Criminal Justice System
- Inappropriate SLAs compromise ability to meet customers' demands and jeopardize future revenues
- Failure to deliver on SLA's may cause loss of future revenues
- Failure to maintain the skills and competences required for FSNI to deliver a full range of services
- Current accommodation and facilities become inadequate for future delivery standards required for customers, staff and stakeholders
- Failure to deliver a client brief and SoR for new accommodation that NIO are prepared to fund
- Loss of, or damage to, case files and exhibits will affect FSNI's reputation and ability to provide services to customers and Criminal Justice System
- Failure of physical security will result in loss or compromise of FSNI assets
- Failure of FSNI to align with customer's Strategic Direction
- Failure of FSNI to become self sustaining will inhibit investment



- Inadequate appreciation of stakeholders of the contribution of Forensic Science to the Criminal Justice System
- Confidence in FSNI undermined by unauthorized and or inappropriate use or loss of data.

Strategic Relationships

FSNI continued during the year to develop more structured strategic relationships with our customers. The creation of the Business Development Directorate culminated in March 2009 with the appointment of a Business Development Director and a Customer Account Manager - both with substantial experience in strategic relationship management in major private sector organisations. Within the same directorate fall Customer Training and Product Management, as well as the Customer Services section which deals with day-to-day receipt of exhibits and routine customer communication. During the year, substantial collaboration was undertaken with PSNI on submissions control and on the development of a new SLA structure, in parallel with the redefinition of the entire FSNI product range to meet ACPO guidelines. It was agreed with PSNI that the 2008/09 SLA would run on for 3 months of 2009/10 and that an interim SLA for the remainder of the year would allow time for the introduction of the ACPO product range and the development of a 3-year SLA for 2010/11.

Relationships with other parts of the NI CJS have been further developed in the year. Highlights include the training sessions delivered to the PPS and visits and laboratory tours by the Police Ombudsman and the Policing Board. Externally, the Agency has continued its close involvement at multiple levels with other providers in UK and Ireland through the Association of Forensic Science Providers (AFSP) and the European Network of Forensic Science Institutes (ENFSI) and with other key figures in the UK CJS through the Forensic Science Advisory Council.

Resources of the Agency

As a scientific, knowledge-based organisation, the Agency depends greatly on having skilled, competent staff in each of the many specialist areas. As mentioned earlier, staff shortages in small



teams can have very significant effects on output levels. The approach through the year has been to intensify the internal promotion, recruitment and training processes, with the result that the vacancy level at the close of the year was the lowest for many years.

Thirty six new staff (21 scientific, 15 admin) joined the Agency, whilst forty one were promoted in-house (including 30% of scientific staff).

Work continued on staff training and competences and on succession planning and cross-skilling, which will allow for better buffering of the demand fluctuations that inevitably arise in casework.

Environmental, social and community issues

The Agency recognises its responsibility to carry out its operations whilst minimising environmental impacts. There have been no significant environmental, social and community issues during the year. The Agency complies fully with its environmental policies, including health and safety, waste management, management of emissions and disposal of hazardous waste.

Sustainability

FSNI is committed to operating in a socially, economically, environmentally and sustainable manner and undertakes the following:-

- Safe disposal of all hazardous or environmentally damaging substances
- Recycling programme to include cardboard, paper, ICT equipment, toners, glass and plastics

Paper is incinerated on site and contributes to the heating provision for the Seapark site.

Regulation and legislation

FSNI complies with all appropriate Government Agency Legislation, Regulations and Governance. Accreditation to ISO/IEC 17025 is granted by the United Kingdom Accreditation Service (UKAS). In the current financial year, UKAS carried out a surveillance visit in July 2007 and an extra visit in January 2008. Following the July 2007 visit and the satisfactory close-out of mandatory actions,



accreditation of the current scope was maintained and the scope extended to include Alcohol & DNA. Maintenance of the current scope was confirmed at the extra visit in January 2008. Full details are included in the statement on internal control.

Employee policies

Details of employee policies are detailed in the Director's report.

Staff

By the end of March 2009 the total number of staff employed by the Agency was 206. This was comprised of 132 scientists, 58 administrative and support staff and 16 recruitment agency, contract or temporary staff. This has shown an increase in the number of scientists and administrative staff employed versus the previous year, both new and replacement posts.

The great majority of the scientific staff have graduate level qualifications, including a number with degrees at Masters or Doctorate level. FSNI's staff have a rich mix of scientific and legal knowledge, practical experience and professional commitment.

Sick absence

FSNI takes the management of sickness absence very seriously. The health and safety of everyone in the Agency is of paramount importance; we have a duty of care to help prevent staff becoming ill and to support them when they are. At the same time, sick absence can have a significant detrimental impact on our business and FSNI has robust policies and procedures in place to deal with inefficiency which results from poor attendance.

The Departmental target for 2008/09 was 8.5 average days per employee, per annum. FSNI's average absence April-October 2008 at 1.6 days resulted in FSNI meeting the departmental target for this period.

Data is currently unavailable for November 2008 to March 2009.



Personal data

FSNI complies with the Data Protection Act (DPA) 1998, which governs the use of personal data through the 8 data protection principles, and are aware of the need to comply with the principles when processing information covered by the Act. FSNI have no breaches of the Act to disclose for 2008/09.

Pensions

Details are shown in the remuneration report and Notes 1.4 and 3 of the notes to the financial statements.

Company directorships and other significant interests

There are no company directorships or other significant interests held by Board members which may conflict with their management responsibilities.

Contractual arrangements

Service delivery processes include the provision of managed services by other providers on behalf of FSNI. Central Procurement Division (CPD) is responsible for the tendering process, selection and formal agreements.



Remuneration report

The Agency does not have a remuneration committee. The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has 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 the 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 takes account of the evidence it receives 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.

Performance management

FSNI operates the NIO's performance management system, which enables better management and improvements for individuals, teams and ultimately the Agency. The system incorporates an initial objective and targets setting session between individuals and managers, encourages regular performance reviews and includes mandatory mid- and end year reviews against the objectives and



targets set. This replicates the best practise approach in place currently within many organisations both public and private sector.

In addition to the basic salary remuneration, FSNI operated the NIO's non-consolidated performance bonus scheme. Whilst the non-consolidated performance bonus is available to all staff, irrespective of their grade, eligibility for consideration is based on an individual having met all, and having surpassed some of their objectives. Nominations are put forward to a moderating panel, which reviews and discusses individual performance and ultimately which individuals they believe should be recognised as the most exceptional performers during that reporting year. Not all staff recommended will receive a bonus. The funds available for non-consolidated performance bonuses are limited and for 2008 the percentage level of staff eligible to be awarded a non-consolidated bonus was agreed at 20%.

Service contracts

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

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

- The Chief Executive was appointed on a permanent basis from 30 October 2006
- The Finance Director was appointed on a permanent basis from 29 May 2007
- The Corporate Services Director was appointed on a permanent basis from 18 January 2008
- The Director of Reporting Services was appointed on a permanent basis from 8 November 2007
- The Director of Laboratory Services was appointed on a permanent basis from 8 November 2007
- The Business Development Director was appointed on a permanent basis from 2 March 2009
- The Quality Director was appointed on a permanent basis from 6 April 2009



- One Non Executive Director was appointed on a permanent basis from 23 November 2006 with a second being appointed 1 January 2008
- A permanent Corporate Secretary was appointed on 1 January 2008

Permanent staff who resign voluntarily are expected to give not less than 1 months notice in writing.

Senior Civil Servants, (promoted on or after 1 January 1997) are required to give at least 3 months notice of resignation. In FSNI this would refer to the CEO only.

There were no awards or compensation paid during the year to past senior managers.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk .

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Board members of the Agency.

Remuneration (Audited)

Board Members	2008-09		2007-08	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
S Brown - Chief Executive	85-90	-	75-80	-
G Brown – Finance Director	45-50	-	35-40 (full year equivalent 40-45)	-
A McElveen - Corporate Services Director)	40-45	-	35-40	-
R Gingles – Director of Laboratory Services	50-55	-	15-20 (full year equivalent 45-50)	-



Remuneration (Audited) cont'd

Board Members	2008-09		2007-08	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
J Kirkwood – Director of Reporting Services	50-55	-	20-25 (full year equivalent 50-55)	-
L Montgomery – Business Development Director	0-5 (full year equivalent 45-50)	-	0	-
C Dornan - Corporate Secretary	40-45	-	10-15 (full year equivalent 40-45)	-

The information above is subject to audit. Only directors in post during the year are disclosed.

A McClure, one of FSNI's two Non Executive Directors, received fees of £12k in connection with his role. He also received expenses in relation to his role as Non Executive Director. T Steenson, FSNI's second Non Executive Director, received only expenses in relation to his role as he holds a full time post within the Northern Ireland Civil Service.

Salary

'Salary' includes gross salary; 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.

This report is based on payments made by the Department and thus recorded in these accounts.

This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.



Pension benefits (Audited)

Benefits in kind

None of the Board members received benefits in kind during 2008/09 or in 2007/08.

Pension Benefits (Audited)

Board Members	Accrued pension at pension age 60 as at 31/3/09	Related lump sum	Real increase in pension	Related lump sum at pension age	CETV at 31/3/09	CETV at 31/03/08	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Nearest £100
S Brown - Chief Executive	5-10	20-25	0-2.5	2.5-5	154	125	18	0
G Brown – Finance Director	0-5	0	0-2.5	0	31	15	14	0
A McElveen - Corporate Services Director	0-5	0	0-2.5	0	22	11	8	0
R Gingles – Director of Laboratory Services	15-20	50-55	2.5-5	10-12.5	406	289	93	0
J Kirkwood – Director of Reporting Services	10-15	40-45	0-2.5	0-2.5	329	294	10	0
L Montgomery – Business Development Director	0-5	0	0-2.5	0	1	0	1	0
C Dornan - Corporate Secretary	10-15	35-40	0-2.5	2.5-5	176	153	9	0

The information above is subject to audit. Only directors in post during the year are disclosed.

Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a ‘final salary’ scheme (**classic**, **premium** or **classic plus**); or a ‘whole career’ scheme (**nuvos**). These statutory arrangements are



unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality ‘money purchase’ stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already 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

Cash Equivalent Transfer Values

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

Real increase in CETV

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

S Brown
CHIEF EXECUTIVE
16 June 2009



Forensic Science Northern Ireland

Accounts 2008-2009



Forensic Science Northern Ireland

Statement of Agency's and Chief Executive's Responsibilities

Under section 7 of the Government Resources and Accounts Act 2000, the Treasury has directed Forensic Science Northern Ireland 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 Forensic Science Northern Ireland and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by 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 Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Chief Executive of Forensic Science Northern Ireland as the Accounting Officer for the Agency. The responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping of proper records and safeguarding the Agency's assets, are set out in 'Managing Public Money' issued by the Treasury.



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 Agency's policies, aims and objectives, whilst safeguarding the public funds and departmental assets, in accordance with the responsibilities assigned to me in Managing Public Money.

The Agency produces annual corporate and business plans. These are agreed by the Ministerial Advisory Board of the NIO (MAB), approved by the Minister and laid before Parliament.

Progress against these plans is monitored by the MAB on a quarterly basis, with notification to the Minister. The Agency produces Annual Reports and accounts which are laid before Parliament.

Based upon the recommendations of the 1991 Fraser Report, an individual, called the Fraser Figure, coordinates department-agency activities and arbitrates disputes. The Fraser Figure for the Agency is the Director of Criminal Justice. She chairs the Ministerial Advisory Board, which includes the Department's Director of Resources, other NIO officials and FSNI's Chief Executive and Executive Board (EB) members, including its two non-executive Directors.

The EB produces, amongst other reports, a corporate risk register for consideration by the MAB. This register is linked closely to the risks to achieving the delivery of corporate targets as highlighted in the annual corporate and business plan. Risks are discussed at the quarterly MAB meetings and the Risk Register is formally reviewed on a quarterly basis by the FSNI Executive Board.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, to evaluate the



likelihood of those risks materialising 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 Agency for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The Chief Executive has direct responsibility for the analysis and management of risk and works with the EB and his management team to do so. Responsibilities are assigned and appropriate actions incorporated into the Agency's internal targets. The Agency maintains a risk register for both the Agency itself and for the New Accommodation Project (NAP), although the latter is formally a Departmental project. The risk registers are regularly reviewed by the management team. In this financial year, the Agency provided additional training to both the Executive Board and Management Committee on Risk Management. This training focused on best practice within government, and was based on the HM Treasury Orange Book and Office of Government and Commerce (OGC's) guidance on Managing Risks with Delivery Partners. Continual training will be provided in this area.

4. The risk and control framework

The Agency follows the NIO Risk policy. The risk planning process involves the identification of risks and their potential root causes, together with appropriate risk management strategies which will either reduce the likelihood and/or the impact of a risk materialising. Actions already put in place are tabulated separately from those still requiring to be completed, with responsibilities and timings noted. Risks in the financial year were identified by the Chief Executive, Directors and senior management team and evaluated, monitored and documented by the Executive Board. Each risk has an owner from within the EB. The Agency deploys various risk management strategies, i.e. to eliminate the cause of the risk (including avoiding accepting the risk at all), to reduce the likelihood of occurrence, to mitigate the effect of occurrence, to choose to further investigate before deciding on action, to accept the risk, or to transfer the risk to another party. The choice of strategy will depend on the likelihood, impact



and nature of the particular risk. Within this financial year a considerable focus has been placed on the risks to information loss, within the Cabinet Office's Information Assurance Framework, and funding risks due to the world recession have also been included.

The following risk management processes and systems are in place:

- A systematic methodology to identify and prioritise risks with assigned responsibilities and timings.
- Supervision by the MAB, whose role is to:
 - (a) consider the plans and strategic direction of the Agency and ensure that these align with departmental objectives
 - (b) monitor progress of the Agency towards the achievement of its key and internal targets
 - (c) review the risk register
 - (d) approve the quarterly report for submission to the Minister.
- The Agency's own Executive Board (EB) consists of the Agency's Chief Executive, Executive Directors, two Non-Executive Directors and a Board Secretariat. The Executive Board meets formally monthly, and extraordinarily as and when required. Terms of Reference of the Board have been formally agreed with the Department and are in line with guidance issued by Treasury on the Corporate Governance Code of good practice (July 2005). All decisions and approvals are formally minuted by the Board Secretariat and the minutes, once approved, are made available to all staff. All EB members have received formal training in-year on Board responsibilities and duties. On a quarterly basis, the risk register is reviewed at the Executive Board, and if changes or additions to risks are identified at other times, these are noted and updated by Directors as appropriate.
- The Agency's Audit Committee is chaired by a Non-Executive Director of the Executive Board. The Risk Register is a standing agenda item at each meeting.



- NIO Internal Audit conducts an agreed programme of work to Government Internal Audit Standards on areas within the Agency which are perceived by the Audit Committee and/or the Executive Board as being of the highest risk.
- Audit reports include the Head of NIO Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control, together with recommendations for improvement.
- For all large projects the agency is subject to OGC gateway reviews e.g. Perseus Programme and NAP.
- A Quality Management System, conforming to ISO 17025/2005 standards, is in place across the Agency, which is subject to regular and comprehensive external inspection and accreditation by the United Kingdom Accreditation Service (UKAS).
- The agency is externally reviewed at appropriate intervals by the Criminal Justice Inspectorate.
- A comprehensive planning process leading to the production of its business plan and associated service level agreements with its main customers is in place. The Agency has adopted the Balanced Scorecard approach to planning, which leads to a Business Plan which integrates the four perspectives of the Agency's business, namely Customer Focus, Key Business Processes, Finance and Learning, Development & Growth. Agency objectives are cascaded to individuals through the Performance Management System. The Agency has also a second tier of executive management – the Management Committee (MC) – whose functions have also been defined in a TOR and are designed to manage resources within agreed budgets, to monitor progress against Balanced Scorecard Targets and to take appropriate corrective actions. Risks are also reviewed at this level.
- A fraud policy has been established.
- A whistleblowing policy is in place.



5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have also received annual assurance statements from each of the Board members, Heads of Departments and senior managers covering the key systems and controls for which they are responsible.

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 Audit Committee, and a plan to address the weaknesses and ensure continuous improvement of the system is in place.

Due to its own resource issues, NIO Internal Audit has not completed any audits from the 2008/09 audit plan during 2008/09, although an audit on Risk Management carried over from the 2007/08 audit plan was completed and a follow up audit of Governance. At the year end, an audit on the Training and Induction Programme within the Agency had commenced. Taking the above into consideration this represents some weakness in the internal control environment which is acknowledged but should be seen in the context of the extensive inspection environment in which FSNI operates. To address this matter in 2009/10, FSNI have requested a 3-5 year audit plan to be developed which will include financial processes on an annual basis. This plan is to be approved by the Audit Committee and CEO and reviewed annually. A review of the NIO Internal Audits carried out prior to 2008/09 has shown a significant number of recommendations have now been implemented. An example was the audit on Risk Management.

Areas on which focused effort will be directed during 2009/10 are consistent with our other significant internal control issues listed later in this section of the report. They include the issues of:

- SLA completion pre-commencement of the new financial year (which is, as is detailed earlier in this Annual report, contingent upon the complete restructuring of the SLA together with the redefinition of the entire product range)



- detailed contingency planning arrangements for sole supply contractors and operational plans
- need for agency to have an agreed Corporate\Business strategy (which is contingent upon the Minister's approval of a NIO Forensic Science Strategy for NI)
- FSNI internet and intranet sites to be re-established
- Corporate Best practice guidance to be established

During the financial year I requested that the Non Executive Directors carry out reviews of the effectiveness of the Executive Board, Management Committee and Audit Committee. These reviews highlighted the following:

Executive Board

- High level of leadership, commitment and collegiality
- Comprehensive agenda but overly-long meetings – need to delegate more tactical issues to Management Committee and address some issues on a rotational basis
- Two vacant Director posts (since filled), coupled with volume and complexity of issues to be addressed was impacting on workload and effectiveness of individual directors
- Recommended Board training for incoming Directors

Management Committee

- Collegiality is developing but must be further strengthened
- Need to take more responsibility for reaching difficult decisions
- Needs better preparation by some members, including preparatory team meetings and reading of Committee papers

Audit Committee

- TOR regularly reviewed
- Roles clearly defined
- Robust governance



- Some areas for improvement in terms of induction for new members, benchmarking and reporting to EB
- Approval of the NIO internal audit programme by Audit Committee

Criminal Justice Inspectorate (CJI) carried out a review of the Agency during 2008/09 – Their draft report was sent to FSNI for comments on factual accuracy. The final report will be published in May 2009 and FSNI expect to be able to respond favourably to the majority of recommendations in it. Some of the recommendations refer to the need for a Forensic Science Strategy for the NICJS to be coordinated through the NIO.

UKAS Accreditation

One of the key objectives in the FSNI Corporate and Business plans is that the Agency maintains its accreditation for testing and calibration to the international standard ISO/IEC 17025:2005, which is granted by the United Kingdom Accreditation Service (UKAS) following regular in-depth inspection and surveillance visits. One of the objectives of the Service Level Agreement (SLA) with PSNI is that FSNI maintain a management system accredited to the ISO standard. As UKAS inspect all the forensic science providers in UK, their inspection visits are one means by which best practice can be developed and shared across the sector as a whole.

UKAS carried out such a visit in July/August 2008 to review the compliance of the laboratory against ISO/IEC 17025:2005, for both testing and calibration accreditations. Progress against actions raised at previous visits was also reviewed. One method was inspected for extension to the scope of accreditation i.e. Station Distances.

UKAS commented in their report on the July 2008 visit that “it is evident during this visit that continued progress has been made in relation to a number of key areas that had been identified at previous visits. In particular some of the projects that were set up as part of the Quality Improvement Programme have now been completed and are beginning to have a positive impact. However, some areas have been identified where progress has not been as hoped and further efforts are now required.” These were in relation to the FSNI internal audit programme



i.e. some audits not being carried out on time and the timeliness of closing out of some non conformities from audits. UKAS did recognise though, that the “records of the audits that have been performed are comprehensive, demonstrating that the auditing is robust”. The issue of closing out of actions from QA trials was also similarly mentioned.

UKAS further commented that “it is increasingly evident that the laboratory are experiencing problems with levels of staff resource and are consequently not always able to meet the expectations of their customers in terms of timescales for completion of casework. A consequence of this has been the development of a significant backlog of work. A critical factor in addressing this issue would be to obtain a clear agreement with key customers as to suitable submission volumes and expected deliverables.”

Along with this, UKAS mentioned that the “revised organisational structure has now been fully implemented; however, as yet not all positions have been filled”. The full impact of this will be assessed at future UKAS visits.

Accreditation for the existing scope was maintained, and the extension to scope for the Station Distances was offered, subject to the satisfactory clearance of mandatory actions. In addition, monthly reports were to be supplied to UKAS on progress with the completion of audits and closing out of actions. All of this to be examined at a further visit in approximately six months time.

All mandatory actions were closed out, monthly reports were provided and the follow-up visit took place in February 2009. At this visit, UKAS noted that the continued efforts of the staff in relation to many of the ongoing initiatives was beginning to reap significant rewards. However, whilst progress had been made in adhering to the audit schedule and completing audits, UKAS had concerns regarding the failure to close out some actions from audits and elsewhere within the Management system in a timely manner. Concerted effort was required to close out actions and to fully address the root cause of the issue.

Overall, accreditation was again maintained, subject to a detailed review of the issues, including the identification of associated root causes and a subsequent documented action plan,



with monthly reports provided to UKAS. These actions are well underway and, at the time of writing, 97% of audits from the 2008-2009 audit programme have been closed out. The next surveillance visit is due in June/July 2009.

Whilst we are confident that accreditation will continue to be maintained, there is never any room for complacency in this regard for any forensic laboratory. There is therefore a standing risk on the corporate risk register in relation to the maintenance of accreditation. The Quality Director, who joined FSNI in April 2009, has as his primary focus, the maintenance of accreditation.

The tendency for all QMS's to develop over-complexity over time has meant that FSNI's QMS has diverted resource away from operational output and has continued to require excessive day-to-day management intervention. A radical rationalisation of the QMS and improvements in its information management methods will also be a key focus of the Quality Director.

Other significant quality issues

Forensic Science Regulator standards

The Forensic Science Regulator has created several specialist groups under the Aegis of the Forensic Science Advisory Council (FSAC) to advise on specific areas of forensic science and to undertake studies within their areas of expertise with the aim of assisting the development of standards that will apply to all Forensic science providers.

In the financial year, the Agency has been represented by relevant staff at a number of groups set up by the Regulator i.e. DNA specialist group, Practitioner Quality standards group and the Quality Standards specialist group. Along with this, relevant staff have attended workshops and conferences convened by the Forensic Science Regulator. This is in addition, to the Chief Executive's participation in the Forensic Science Advisory Council (FASC), where he represents Northern Ireland's interests.

The Agency has also participated in the Regulator's consultation processes on the draft Manual of Regulation and the Accreditation of Practitioners.



A further Draft of the Quality Standards for Providers of Forensic Science Services to the Criminal Justice System in the UK has been circulated for comments. FSNI will submit responses to the Regulator as part of the consultation process.

The Standards cover all forensic activity from the supply of equipment, to crime scene investigations, collection and examination of exhibits, analysis, interpretation and reporting. This is the first and probably most important step in delivering a new standards framework for all Forensic Science providers.

Latest information from the Regulator's office is that the Standards will be published in late 2009, with the view that these will be implemented by all Forensic Science providers over a four year period.

It is likely that the implementation of the Regulator's standards will significantly impact on the work of the Agency, in the incoming year and beyond, particularly, in the delivery of its targets to its main customers.

FSNI is an active member of the Association of Forensic Science Providers (AFSP), which has developed an Expert Opinion standard during 2008-2009 which, it is anticipated, will be ratified and adopted by the Regulator. Again, it is likely that the implementation of this standard within the Agency will have a significant impact on its resources.

Other significant internal control issues

The Agency is operating under a 1995 Framework Document which is currently being reviewed to reflect the actual requirements of the Agency in a competitive market. A draft document has been prepared after detailed discussions with NIO representatives. The final version will not update the Financial delegations at this point.

Turnaround targets in the Agency have not been met within certain operational sections - due primarily to acceptance of significant over-submissions of items by customers vis a vis the resource available - coupled with staff shortages. During most of 2008/09 the agency carried a higher than normal number of vacancies, but by the year end these posts have almost all been filled and this was reflected in improving trends. In each section which experienced slippage



on turnaround targets, an improvement plan has been implemented or proposed. The PSNI Senior Scientific Manager (SSM) engaged with FSNI on a backlog reduction and submission control programme which was factored into the SLA for 2008/09 and will be included in that for 2009/10 and into FSNI operational plans. An action plan put in place to improve delivery to the State Pathology service is currently on schedule to complete by September 2009.

Over recent years a significant focus on maintaining UKAS accreditation has inevitably diverted some resource from operational output. During 2008/09 there was an objective to try and embed quality and improve output performance. This was cascaded throughout the organisation to individual staff members and has seen improvement in a number of areas. However the vacancies carried during 2008/09 impacted on the ability to meet the original targets.

In 2009/10, FSNI will make the transition to ACPO product descriptions for Forensic Science. This will be a very significant change within the agency and will change the way in which work is controlled and priced. It will support improved turnarounds and capacity planning.

The Perseus Programme to develop improved and integrated approaches to the Agency's systems of Case File Management, Exhibit Tracking, Workflow Management and Management Information Systems (MIS) is currently awaiting Outline Business Case approval. The business re-engineering and MIS associated with Perseus are critical to efficiency gains and customer focus of operations. Considerable resources will be required to complete the programme within 2008-10. Completion of the new MIS will greatly assist in the monitoring of casework inputs, outputs and work in progress and help manage submissions. Until adequate systems are in place, the ability of the agency to fully meet and report against its SLA requirements is compromised. During 2008/09 a gateway review was carried out on this programme, which resulted in amendments to the Business case. The delay in approving the business case continues to affect the agency's ability to generate adequate MIS to support decision making and improve performance.

An agency Business Continuity Plan (BCP) now exists and has been tested, during 2009/10. The operational BCP's need to be further developed and tested to ensure the process will work effectively if required.



Absence management has been a focus for the Agency in 2008/09. Line managers have received training, and are aware of their responsibilities. Absence levels are better than the Departmental average and have fallen in the past year. The Agency complies fully with the Department's Absence Management procedures and guidelines. The change to HR connect has changed responsibility and reduced information availability.

Although the Agency did not achieve the 98% departmental targets for 2008/09 in relation to Performance Agreements and Personal Development Plans, the performance in this area was a significant improvement on previous years, and allowed for a comprehensive training plan to be submitted to the department within agreed deadlines.

The Financial Regime of the Agency, based on SLA receipts from the key customers, is for a number of reasons, not fit for purpose as currently structured. The issues of over-submission in some areas and of generating new income in relation to increased demand - while using that income to increase the appropriate resources to facilitate supply – are being addressed, as is the maintenance of strategic capability across all of FSNI's specialisms, whether or not they are individually self-financing. Negotiations are underway with PSNI and with the Department to address these issues. Future SLA's are expected to be better constituted to allow for transactional charging, surplus roll-over and capacity projection and maintenance. During 2008/09 a project to focus on this issue has been initiated which will start to show improvements during 2009/10. The PSNI have agreed that 2009/10 will be a transition year and work continues to design an SLA structure for subsequent years with a rolling 3 year horizon.

A review of the long-term physical storage of case files on FSNI premises was conducted and options considered. The preferred solution was procured and a team have commenced preparations for migration to the new method of storage. This work will take a period of time to complete. Further investment in on-site automated file retrieval systems was also made in year.

The maintenance of FSNI's current facilities needs to be assessed in the light of the probable – but not yet certain - move to new accommodation within a 3-4 year period. Decisions as to the level of continued investment in the fabric of the current accommodation have to be balanced



against both the likely move in the longer term and the increasing demands for improved facilities in the short term. The New Accommodation Project (NAP) is still at OBC stage, pending strategic decisions involving customers and stakeholders. The delay in this project continues to present problems for FSNI, not least related to the cost of maintaining the existing premises to the ever-increasing standards required.

In relation to Security, an analysis and report on potential investments in security systems were prepared with PSNI support and an action plan approved by the Department, which takes the temporary nature of the current location into consideration.

Uncertainty was addressed during the year regarding the alignment of FSNI strategy with that of PSNI and the wider CJS, in relation to the issues of procurement of forensic science services by the PSNI, the possible taking in-house by the PSNI of some forensic functions and the maintenance of capability in strategic but non self-financing areas. These issues were addressed by strategic discussions at senior level between FSNI, PSNI, SIB and the NIO and good progress has been made. Once these issues are finally clarified, it will be possible for the Minister to approve the forensic science provision strategy for Northern Ireland and clear the way for the submission of the New Accommodation Project Outline Business Case.

The Caddy Report carried out for the Regulator following the Omagh Bomb trial once again brought attention onto low-template (i.e. highly sensitive) DNA techniques (such as LCN DNA) and onto the issue of contamination control. Whilst FSNI does not itself currently provide a low template DNA analysis service, the Forensic Science Regulator, in his response to the Caddy report, implied that all forensic science providers of DNA services may be required to put extra measures in place across all DNA recovery and processing work, whether intended for subsequent low template DNA or not. In the case of FSNI, this most likely will require some investment in clean-air technology in several laboratory areas as well as the addition/upgrading of a number of technical steps in the process, plus the use of guaranteed DNA-free disposables. FSNI have set up a team to evaluate the measures needed and the costs of doing so. Any actions involving fixed asset investments will need to be considered in the light of the New Accommodation timescales.



General workload: The workload on virtually all staff across the Agency has continued to be very high indeed, primarily due to the necessary changes in response to external factors, including escalating quality requirements, staff shortages and over-submission, in addition to FOI and Disclosure requests and support for other departmental or service-wide initiatives, including HR Connect, Oasis migration, Information Assurance, Devolution Planning, etc. These pressures have again been compounded by delays in filling staff vacancies across many tiers. An intensive focus during the year on promotion boards has meant that most of these vacancies are now filled. However the overall time needed for the Civil Service Recruitment Process, followed by Security Clearance followed by Training, constitutes a significant impediment to the efficiency and proactivity of the Agency.

Information Assurance has been a focus area for FSNI during 2008/09, following high profile national incidents of Government data loss in Great Britain. FSNI have proactively responded to all requirements from central government. A team is in place to take forward the implementation of the recommended policies and procedures. This work should not be underestimated in terms of volume and change in practices for staff and it is expected that it will take 18-24 months to roll out all requirements for these policies across the agency.

During 2008/09, FSNI experienced significant delays in turnaround from the Central Procurement Directorate (CPD) for procurement exercises for which their involvement is mandatory. This has affected the Agency's ability to procure assets and services within year and has contributed to under spends versus budget. The Contracts manager, appointed in-year by FSNI, is working on obtaining a Service Level Agreement (SLA) with CPD through NIO.

During 2008/09, Government, in response to the "credit crunch" pressures on private sector suppliers, changed the 30 day payment policy to 10 days. FSNI are currently achieving 76% of this target, and intend during 2009/10 to achieve 90%.

Budgetary management within the agency has still room for improvement. During 2008/09 Budget holders have been provided with training; however there continues to be over- and under- spends in Capital and Resource budgets. More focus will be given to this in the Management Committee and Executive Board during 2009/10.



During the year there was the apparent loss on delivery of a high value consumable package purchased by the Agency. This was later located within PSNI Site Security, where it had been held on delivery, but as it had not had the required refrigerated storage, the item could not be used. FSNI are currently in discussion with the landlord regarding recovery of costs. The receipt of delivery process has now been amended to ensure the risk of this happening again is reduced.

S Brown

Chief Executive

16 June 2009



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 Forensic Science Northern Ireland for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 Agency, the Chief Executive and auditor

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, the information, which comprises the Director's Report and Management Commentary, included in the Annual Report, is consistent with the financial statements. I also report whether 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.



In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chief Executive's Summary, Organisational Chart, and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed by audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also



evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Agency's affairs as at 31 March 2009, and of the net operating cost, total recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- information, which comprises the Director's Report and Management Commentary, included within the Annual Report, is consistent with the financial statements.

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.

Report

I have no observations to make on these financial statements.

Amyas CE Morse

Comptroller and Auditor General

National Audit Office

151 Buckingham Palace Road

Victoria

London

SW1W 9SS

8 July 2009



Forensic Science Northern Ireland

Operating Cost Statement for the year ended 31 March 2009

	Notes	2008-09 £'000	2007-08 £'000
Income	2	9,599	9,090
Expenditure			
Staff costs	3	6,346	6,079
Depreciation	8	584	565
Other operating costs	5	3,674	3,328
Total expenditure		10,604	9,972
Net cost of operations before interest		-1,005	-882
Interest on capital employed	7	-157	-170
Net cost of operations		-1,162	-1,052

The net cost of operations for the year arises wholly from continuing operations.

All the expenditure and income of the Agency is deemed to be of a programme nature.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2009

	Notes	2008-09 £'000	2007-08 £'000
Net Cost of operations	13	(1,162)	(1,052)
Unrealised surplus on revaluation of fixed assets	13	21	80
Recognised gains and losses related to the year		(1,141)	(972)

The notes on pages 66 to 75 form part of these accounts.



Forensic Science Northern Ireland

Balance Sheet as at 31 March 2009

	Notes	2008-09 £'000	2007-08 £'000
Fixed assets			
Tangible Assets	8a	2,857	2,700
Intangible Assets	8b	60	28
		2,917	2,728
Current assets			
Stock and work in progress	9	148	215
Debtors	10	2,278	1,546
Cash at bank & in hand		806	3,611
		3,232	5,372
Creditors - amounts falling due within one year	11	1,730	3,454
Net current assets		1,502	1,918
Total assets less current liabilities		4,419	4,646
Provisions for Liabilities and Charges	12	42	30
		4,377	4,616
Taxpayers' Equity			
General fund	13	4,186	4,420
Revaluation reserve	13	191	196
		4,377	4,616

Signed

S. Brown
Accounting Officer
16 June 2009

The notes on pages 66 to 75 form part of these accounts.



Forensic Science Northern Ireland

Cash Flow Statement for the year ended 31 March 2009

	Notes	2008-09 £'000	2007-08 £'000
Net cash (outflow)/inflow from operating activities	14a	-2,726	342
Capital expenditure and financial investment	14b	-782	-649
Net cash outflow before financing		-3,508	-307
Financing -			
Northern Ireland Office	13	615	293
Home Office	13	82	0
Causeway Recoupment	13	6	31
(Decrease)/Increase in cash in the year	14c	-2,805	17

The notes on pages 66 to 75 form part of these accounts..



Notes to the Financial Statements for the year ended 31 March 2008

1. Accounting Policies

These financial statements have been prepared in accordance with the 2008/09 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the circumstances of the Agency for the purpose of giving a true and fair view has been selected. The following policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts are prepared under the historical cost convention, modified to include the revaluation of fixed assets.

1.2 Fixed Assets a) Tangible

The Agency's tangible fixed assets comprise Temporary Buildings, Plant and Equipment, Computers and Motor Vehicles, which are revalued annually using appropriate indices compiled by the Office for National Statistics, and assets under construction which are shown at cost.

Temporary buildings were restated to current value (on a depreciated replacement cost basis) at 31 March 2009 following a valuation by the Land and Property Agency in accordance with FRS 15 and with the Appraisal and Valuation Standards (the Red Book 5th edition) of the Royal Institution of Chartered Surveyors.

Revaluations of Temporary Buildings, Plant and Equipment and Motor Vehicles are credited to the revaluation reserve. The downward revaluation of Computers is recognised in the Operating Cost Statement.

Assets under construction relates to assets which are incomplete but where the Agency has incurred a liability. These assets are not depreciated until brought into use.

The standard threshold for capitalisation as an individual or grouped fixed asset is in line with the Agency's capitalisation procedures.

Depreciation is provided on a straight line basis in order to write off the valuation, less any residual value, over their expected useful economic lives. The estimated useful lives, which are reviewed regularly are:-

Temporary Buildings	10 - 20 years
Plant and Equipment	3 - 25 years
Motor Vehicle	10 years
Computers (Hardware and Software)	3 - 10 years

The Agency has no donated assets and no Heritage assets.

b) Intangible

The Agency's intangible fixed assets consist of Software Licences. The assets are depreciated over the life of the licence. Depreciation is calculated on a straight line basis. The assets are revalued annually.

1.3 Stocks and work in progress

Consumable stock is stated at the lower of cost and net realisable value. Work in progress attributable to private casework is valued at the lower of cost of professional time plus related laboratory overhead and net realisable value.



1.4 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes (NI) which are described at Note 3. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pensions Schemes (PCSPS) (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution elements of the schemes, the Agency recognises the contributions payable for the year.

1.5 Early Departure Costs

The Agency is required to account for the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pensionable age.

The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes in the year. The total cost of these programmes is recognised in the year the decision is taken.

1.6 Insurance

No insurance is effected against fire, explosion, common law, third party and similar risks.

1.7 Research and Development

Expenditure on research is not capitalised, but expensed as it occurs. Expenditure on development is capitalised if it meets the criteria specified in the Government Financial Reporting Manual (FReM) which are adapted from SSAP 13. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

1.8 Taxation

These accounts are stated net of VAT.

As an on-Vote Agency of a Government Department, FSNI is not liable to pay Corporation Tax.

1.9 Leases

Rentals under operating leases are charged to the operating cost statement as incurred.

1.10 Notional costs

Some of the costs directly related to the running of FSNI 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.

A notional cost reflecting the cost of capital utilised by the Agency is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% (2007/08, 3.5%) of the average capital employed, defined as total assets less total liabilities.

1.11 Provisions

The Agency provides for legal or constructive obligations which are of uncertain timing and/or amount at the balance sheet date on the basis of best estimate of expenditure required to settle the obligation.



2. Income

Income represents the invoiced value of goods sold and services supplied during the year (net of VAT) from the ordinary activities of the business for which the main customers are as follows:

	2008-09 £'000	2007-08 £'000
Police Service of Northern Ireland	8,740	8,509
Other Public Sector Customers	794	574
Other Customers	65	7
	9,599	9,090

3. Staff Numbers and Related Costs

The average number of staff employed during the year was:

	2008-09 Number	2007-08 Number
Caseworkers and specialists	118	121
Management	6	6
Agency, Contract or Temporary Staff	15	9
Support Staff	49	50
	188	186

The costs incurred were:

	2008-09 £'000s	2007-08 £'000s
Wages and Salaries	5,186	4,942
Social Security Costs	371	363
Pension Costs	789	774
Total	6,346	6,079

The Principal Civil Service Pension Scheme (NI) - PCSPS (NI) is an unfunded defined benefit scheme but, FSNI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out at 31 March 2003 and details of this valuation are available in the Department of Finance and Personnel Superannuation and Allowances Account (www.civilservicepensions.ni.gov.uk). For 2008-09 employers contributions of £789,359 (2007-08 £773,838.65) were payable to the PCSPS (NI) at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2009-2010, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of benefits accruing during 2008-2009 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £401.31 (2007-08 £1,783.03) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee up to 3% of pensionable pay.



Contributions due to the partnership pension providers at the balance sheet date were £Nil. Contributions prepaid at that date were £Nil.

4. Early Departure Costs

The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes in the year. These are detailed in note 12 below.

5. Other Operating Costs

	2008-09 £'000	2007-08 £'000
General administration expenses	3,316	3,066
Travel and subsistence	117	114
Staff training	125	92
Miscellaneous	44	10
Notional Cost (Note 6)	42	36
(Profit)/Loss on Disposal	1	2
Permanent Diminution of Fixed Assets	29	8
	3,674	3,328

6. Notional Costs

These costs relate to services received for which no actual payment is made. See note 1.10.

	2008-09 £'000	2007-08 £'000
Services provided by parent Department		
Miscellaneous	28	26
	28	26
Other notional costs		
Recruitment charges	0	1
Audit fee	14	9
	14	10
	42	36

The Audit Fee represents the cost for the audit of the annual accounts carried out by the Comptroller and Auditor General (National Audit Office).

7. Capital Charges

	2008-09 £'000	2007-08 £'000
Cost of capital charge	157	170

The operating cost statement bears a non-cash charge for interest relating to the use of capital by the Agency. The basis of the charge is 3.5% (2007/08 3.5%) of the average capital employed, defined as total assets less liabilities.



8.a Tangible Fixed Assets

	Computers £'000	Temporary Buildings £'000	Plant & Equipment £'000	Motor Vehicle £'000	Total £'000
Cost or Valuation					
At 1 April 2008	1,510	1,056	5,209	13	7,788
Additions	292	-	434	-	726
Disposals	(7)	-	(195)	-	(202)
Surplus / (deficit) on indexed revaluation	(18)	-	(4)	1	(21)
Adjustment following current valuation by LPS	-	(288)	-	-	(288)
At 31 March 2009	1,777	768	5,444	14	8,003
Accumulated Depreciation					
At 1 April 2008	1,052	264	3,768	4	5,088
Charge for year	174	74	311	1	560
Disposals	(6)	-	(195)	-	(201)
Backlog Depreciation	(2)	-	(5)	-	(7)
Adjustment following current valuation by LPS	-	(294)	-	-	(294)
At 31 March 2009	1,218	44	3,879	5	5,146
Net Book Value					
At 31 March 2009	559	724	1,565	9	2,857
At 31 March 2008	458	792	1,441	9	2,700

A full valuation of temporary buildings was carried out by the Land and Property Agency at 31 March 2009 in accordance with FRS 15 and with the Appraisal and Valuation Standards (the Red Book 5th edition) of the Royal Institution of Chartered Surveyors.

8b. Intangible Assets

	Software Licences £'000
Cost or Valuation	
At 1 April 2008	272
Additions	56
Disposals	-
Deficit on Revaluation	-
At 31 March 2009	328
Accumulated Depreciation	
At 1 April 2008	244
Charge for year	24
Disposals	-
Backlog Depreciation	-
At 31 March 2009	268
Net Book Value	
At 31 March 2009	60
At 31 March 2008	28



9. Stock and Work in Progress

	2008-09 £'000	2007-08 £'000
Consumable stock	138	161
Work in progress	10	54
	148	215

10. Debtors

	2008-09 £'000	2007-08 £'000
Trade debtors	2,065	1,335
Prepayments and sundry debtors	213	211
	2,278	1,546

11. Creditors: Amounts Falling due within One Year

	2008-09 £'000	2007-08 £'000
Trade creditors	362	2,297
Other creditors	553	501
VAT	158	110
Accruals	657	546
	1,730	3,454

12. Provisions for Liabilities and Charges

	£'000 Early Departure Costs	£'000 Legal provision	2008-09 £'000 Total	2007-08 £'000 Total
At 1 April 2008	20	10	30	0
Provided in year	-	30	30	45
Provisions utilised in year	(18)	-	(18)	(15)
At 31 March 2009	2	40	42	30

Early Departure Costs

The Agency meets the additional costs of benefits beyond the normal PCSPS and PCSPS(NI) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS and PCSPS(NI) over the period between early departure and normal retirement date. The Agency provides for this in full when the early retirement becomes binding on the Agency by establishing a provision for the estimated payments. Early retirement costs are likely to be incurred from August 2007 to August 2009.

Provision for Litigation Claims

FSNI is involved in legal proceedings of a nature considered normal to its business. 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.



13. Reconciliation of Movements in Reserves

	Notes	General Fund £'000	Revaluation Reserve £'000	Total £'000
At 1 April 2008		4,420	196	4,616
Movements in the year:				
(Deficit) on operations		(1,162)	-	(1,162)
Net cash inflow from financing				
Notional costs	6	42	-	42
Cost of capital	7	157	-	157
Funding from Northern Ireland Office - Capital		615	-	615
Funding from Northern Ireland Office - Accommodation project		82	-	82
Funding for - Northern Ireland Office - Causeway project		6	-	6
Revaluation of fixed assets	8	-	14	14
Backlog depreciation	8	-	7	7
Realised element of depreciation	8	26	(26)	-
At 31 March 2009		4,186	191	4,377

The revaluation reserve represents the unrealised element of the cumulative balance of indexation and revaluation adjustments.

14. Notes to the Cashflow Statement

14a. Reconciliation of operating deficit to net cash inflow/(outflow) from continuing operating activities

	Notes	2008-09 £'000	2007-08 £'000
Operating deficit		(1,162)	(1,052)
Adjustments for non-cash transactions:			
Depreciation charge	8	584	565
Notional and other non-cash charges	6	42	36
Cost of capital	7	157	170
Loss on disposal of fixed assets		1	2
Permanent diminution of fixed assets	8	29	8
		813	781
Adjustments for movements in working capital:			
Decrease in stock		67	34
Increase in debtors		(731)	(359)
(Decrease)/increase in creditors		(1,725)	908
Increase in provisions		12	30
Cash Inflow/(outflow) from operating activities		(2,726)	342



14b. Analysis of capital expenditure and financial investment

	2008-09 £'000	2007-08 £'000
Tangible fixed asset additions	(726)	(636)
Intangible fixed asset additions	(56)	(13)
Total capital expenditure and financial investment	(782)	(649)

14c. Reconciliation of net cash flow to movement in net debt.

	2008-09 £'000	2007-08 £'000
(Decrease)/Increase in cash in period	(2,805)	17
Net Cash at 1 April 2008	3,611	3,594
Net Cash at 31 March 2009	806	3,611

15. Performance Measures

The key financial performance measure for the Agency is the recovery of full economic cost from its customers.

	2008-09 £'000	2007-08 £'000
Gross Expenditure	10,761	10,142
Appropriations in Aid	(9,599)	(9,090)
Under recovery in year	1,162	1,052

Appropriations in aid consists of agency income from its customers, as detailed in note 2 above. Gross expenditure consists of total expenditure plus interest on capital employed as disclosed in the operating cost statement. The under-recovery of £1,162k is due to expenditure funded by the Department and includes, New Accommodation Project (£360k), non-cash arising from the transition from cash to resource accounting (ref PSNI Assets), funding for corporate governance roles and research and development.

16. Capital Commitments

	2008-09 £'000	2007-08 £'000
Capital expenditure contracted for but not provided in the financial statements.	14	93

17. Financial Commitments

At 31 March 2009 the Agency has annual commitments under non-cancellable operating leases expiring as follows:

	Land & Buildings £'000
Operating Leases which expire:	
Within one year	-
In two to five years	165
After five years	-
	165

The Agency is committed to paying £165k per annum for the premises it occupies. The lease term is five years effective from 1st April 2007.



18. Financial Instruments

The Agency has adopted FRS 25,26 and 29 from the 1st April 2008. There is no impact of these FRS's in the financial statements. The Agency is currently funded by supply voted by Parliament and as such the Agency is not exposed to significant liquidity risks. The Agency's financial assets and liabilities do not carry an interest charge and the Agency is not therefore exposed to significant interest rate risk. The Agency had no foreign currency risk. The book value equalled the fair value of the Agency's financial assets and liabilities as at 31 March 2009.

19. Contingent Liabilities disclosed under FRS12

Damages Claim

Contingent liabilities exist in respect of a claim for damages. This case is being defended by FSNI and the settlement date is unknown.

20. Post Balance Sheet Events

There have been no material events, which would affect these accounts, occurring after the year end. The date of authorisation for issue is the 8 July 2009 and the date of publication is the 15 July 2009.

21. Losses and Special Payments

	2008-09 £'000	2007-08 £'000
Total (4 cases)	30	-
1 case above relates to Stores loss totalling £30k and 3 cases relate to sundry write offs totalling £0.5k.		

22. Related Party Transactions

Forensic Science Northern Ireland is an executive agency of the Northern Ireland Office.

The Northern Ireland Office is regarded as a related party. During the year, FSNI has had various material transactions with the Department, and with other entities for which the Northern Ireland Office is regarded as the parent Department, viz the Police Service of Northern Ireland, the Department of the Director of Public Prosecutions, the Police Ombudsman, and the State Pathologist's Department.

In addition, FSNI has had various material transactions with other Government Departments and other central government bodies. Most of these transactions have been with the Northern Ireland Court Service, HM Revenue and Customs GB police forces and the Ministry of Defence.

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



23. Intra-Government Balances

	Debtors: Amounts falling due within one year £'000	Debtors: Amounts falling due after one year £'000	Creditors: Amounts falling due within one year £'000	Creditors: Amounts falling due after one year £'000
Balances with other Central Government Bodies	2,050	-	1,294	-
Balances with Local Authorities	-	-	-	-
Balances with NHS Trusts	-	-	-	-
Balances with Public Corporations and Trading Funds	-	-	-	-
Balances with Bodies External to Government	228	-	436	-
At 31 March 2009	2,278	-	1,730	-
Balances with other Central Government Bodies	1,383	-	2,240	-
Balances with Local Authorities	-	-	-	-
Balances with NHS Trusts	-	-	-	-
Balances with Public Corporations and Trading Funds	-	-	-	-
Balances with Bodies External to Government	163	-	1,214	-
At 31 March 2008	1,546	-	3,454	-

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